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ABSTRACT

Information on the funding of the area school system in Iowa is provided. First, the report provides background information on the history and funding of the system, which was established in 1965 to meet local and state needs of adults for postsecondary and adult education. The report indicates that the funding sources available to the area schools at their inception for operational purposes have remained approximately the same, though the percentages of funds derived from these sources have varied, over a 12-year history of the system. Next, the following funds utilized by the area schools are identified and explained: current general fund, restricted current general fund, auxiliary fund, agency fund, scholarship fund, loan fund, plant funds, and endowment fund. Next, the paper reviews the funding problems experienced by the area schools since their inception, stressing the difficulties arising from inadequate funds and uncertainty about available revenues. An explanation is provided of the funding formula established in 1971 to deal with these problems, followed by a year-by-year analysis of the funding plans that have been used biennially since this time. Changes in procedures, income sources, methods of determining allocations, and supplemental aid requests are detailed. Financial data are appended. (AYC)

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FISCAL DEVELOPMENT OF AREA SCHOOLS

Area Schools Division

Department of Public Instruction

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JC 850 375

December 28, 1984

Revised and updated version of a paper presented by Dr. Robert D. Benton at the Postsecondary Education Funding Committee meeting in Des Moines, Iowa, on July 12, 1974.

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STATE OF IOWA • DEPARTMENT OF PUBLIC INSTRUCTION
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Iowa
a place to grow

ROBERT D. BENTON, Ed.D., STATE SUPERINTENDENT
David H. Bechtel, M. S., Administrative Assistant
JAMES E. MITCHELL, Ph.D., DEPUTY SUPERINTENDENT

DATE: December 28, 1984

TO: Area College Superintendents

FROM: Area Schools Division

SUBJECT: Fiscal Development of Area Schools

Attached to this memorandum is a copy of a paper describing the Fiscal Development of Area Schools. This paper was originally presented by Dr. Benton at the Post-secondary Education Funding Committee meeting in Des Moines on July 12, 1974. Our staff has revised this original paper to reflect more recent circumstances that have occurred since Dr. Benton prepared this paper.

We believe this paper was of sufficient importance that an updated revision would be helpful.

Sincerely,

Charles R. Moench, Director
Area Schools Division

CRM:drr

Attach.

FISCAL DEVELOPMENT OF AREA SCHOOLS

Area schools have developed rapidly since the passage of Senate File 550 by the Sixty-first General Assembly in 1965. This legislation provided Iowans with an opportunity to develop a state-wide system of merged area schools to meet local and state needs of adults for post-secondary and adult education. The initial legislation provided that up to twenty area schools could be developed by local citizens on a multi-county basis with very few restrictions imposed on their organization other than a merged area must have no less than 4,000 public and private students in grades nine through twelve. This latter restriction was considered necessary to insure that a merged area would be large enough to provide the various types of educational experiences required.

To the surprise of most Iowans, including many legislators, was the receptive attitude of Iowans toward Senate File 550. Almost immediately Iowans began planning for the development of merged areas and during the 1966-67 school year, the year immediately following the implementation of legislation, fifteen merged areas were developed and fourteen actually began operation. These fifteen area schools have demonstrated extraordinary growth in meeting various student needs and are now beginning their eighteenth year of operation.

The funding sources available to area schools at their inception for operational purposes remain approximately the same today. (Please see figure 1.) Although the various percentages of funds derived from these sources have varied over the past twelve years of area school operation, four sources were and still remain the principal sources of funds available to area schools. These four sources of operational funds in the General Fund are:

1. Tuition and fees paid by students. Initially, the departmental rules for area schools required that tuition be no more than $100 per semester or its equivalent.

2. The local tax levy for area schools. Although the revenue derived from this source has increased over the past eighteen years, it has increased slowly during most years and, from time to time, has shown a decrease for a particular merged area.

3. Reimbursement programs available through the Department of Public Instruction. These programs are the federal and state resources available for direct reimbursement of approved vocational programs and the federal funds available for the reimbursement of adult education programs.

4. State General Aid. State General Aid was initially computed by multiplying $2.25 by the average daily enrollment of Iowa residents who were enrolled in twelve or more semester hours of work times the actual days that an area school was in session.

In addition to these four major sources of funds for operational purposes, area schools have available to them additional sources such as federal grants for libraries and equipment, gifts, income from sales and services, and contracts with other state and federal agencies to provide certain types of programs.

For the purchase of sites and the construction of buildings, income and expenditures are handled through a separate fund, the Plant Fund. This fund initially had three major sources of revenue available to it. These sources are:

1. A local tax levy that can be approved by a simple majority for a period not to exceed ten years. This local voted tax levy has been approved by the constituencies of all area schools.

2. Vocational facility grants appropriated by the state legislature. A total of $15,500,000 was appropriated during the first two bienniums of area school operation to assist area schools in building facilities for vocational programs (See figure 2.)

3. Federal grants available through the Higher Education Facilities Act. Approximately $7,000,000 in federal grants have been made available to merged area schools but, unfortunately, the amount of federal funds available in recent years has decreased and this source is no longer a major source of funds for the construction of area school facilities.

In addition to these three major sources of funds for the Plant Fund, two other resources have been used. These resources are gifts and bond issues approved by local constituents. The most significant of the gifts received by merged area schools was the 181-acre site at Riverdale that was given to Merged Area IX by the Alcoa Aluminum Company.

The only merged area school to approve a bond issue to date have been Merged Area XIV in Creston which approved the first bond issue of $1,500,000 in July of 1968 and Merged Area XV in Ottumwa.

The area schools utilize the following funds (as defined in the accounting manual):

1. Current General Fund

   The general fund is available for any legally authorized purpose and is, therefore, used to account for all revenues and expenditures for activities not provided for in other funds. The organizational units to be financed through this fund are those which are generally directly concerned with the operation and support of the educational program of the school as a whole--the only restrictions being those imposed by the budget. (If provisions are made for restricted general funds, then resources which are earmarked, or restricted for certain purposes, would not be included in this fund.)

2. Restricted Current General Fund

This fund is used to account for resources that are available for the operation and support of the educational program, but which are restricted as to their use by an outside agency or person.

The organizational units to be financed through this fund are usually the same, or at least complimentary, to those financed through the "Current General Fund". The only difference is that the numeral "2" would be assigned to the transactions affecting restricted funds.

3. Auxiliary Fund

This fund is used to record resources received, held and disbursed by an institution over which the institution has determination as to the nature and degree of receipts and expenditures. The fund is used to account for activities which are intended primarily to provide:

*A. Non-instructional services for sale to students, staff, and/or institutional departments and which are in addition to the educational objectives of the institution; and

**B. Activities that exist to provide an instructional and laboratory experience for students and that incidentally create goods and services that may be sold to students, faculty, staff and the general public.

4. Agency Fund

This fund is used to record resources received, held, and disbursed by an institution as fiscal agent for others. Normally revenues and expenditures of agency funds are not institutional revenues and expenditures and should be reported separately.

5. Scholarship Fund

This fund is used to account for these types of resources:

Scholarship funds are defined as those resources available for awards to students which are not in payment of services rendered to the institution and will not require repayment to the institution.

On-campus Workstudy payments to students should not be included here since these payments are for services rendered to the institution and should be charged to the organizational units benefiting from the services. The federal share of on-campus expenditures should be transferred to the benefited fund.

*Function 0 will indicate the activity is non-structional.

**Functions 1, 2 and 3 will indicate the activity is instructional.

Off-campus Workstudy payments to students shall be included here since the college is not the one benefiting from the services of the students. Off-campus reimbursement will be receipted to this fund. (The last sentence above applies only if the school reimburses the student. The school would then bill the employer for his share. If the employer pays the student, he would bill the school for the federal portion and it would be charged to this fund.)

6. Loan Fund

Loan funds are those the principal of which is loanable. These funds are established for the purpose of aiding needy students through interest-bearing loans. Frequently, gifts to the institution furnish the basis for the establishment of a student loan fund. Where both principal and interest are loanable, these should be placed in this fund. If the principal is not loanable, it should be placed in the Endowment Fund and only the loanable portion of the fund should be classified to this fund. The equity in this fund is increased by gifts and interest on loans and investments and is decreased only the write-off of uncollectable loans and legally permitted administrative and collection costs.

7. Plant Funds

This fund is used to account for the following types of resources:

Unexpended Plant Sub-fund.

a. This sub-fund is used to account for resources which will be expended for the acquisition or construction of physical property to be used for institutional purposes and resources designated for the major repair and/or replacement of institutional property. Acquisition or construction of physical property as used here will be all inclusive of the capital outlay expenditures previously charged to the plant funds. Assets consist of cash, investments, accounts receivable, amounts due from other funds and construction in progress. Liabilities may consist of accounts, bonds, notes, and leaseholds payable and amounts due to other funds.

As funds are expended for construction, an asset control account for construction in progress should be maintained. At the completion of project, construction in progress, together with related liabilities and fund balances, should be transferred to the investment in plant sub-fund.

Debt Service Sub-fund.

b. This sub-fund is used to account for the accumulation of resources which will be used to pay interest and principal payments and other debt service charges relating to long-term plant fund indebtedness. The transactions recorded in this fund are those previously associated with the debt service

section of the plant funds. These assets of this sub-fund normally consist of cash and investments to be used for the retirement of indebtedness.

Investment in Plant Sub-fund.

c. The investment in plant sub-fund is used to account for the cumulative cost of plant assets net or cumulative deletions. The assets consist of land, buildings, other structures and improvements, furniture, machinery and equipment and library materials. Liabilities may consist of accounts, notes, bonds, and leaseholds payable which are associated with the acquisition, renewal or replacement of plant assets recorded in this fund. The net investment in plant is the fund balance representing the excess of the carrying value of assets over liabilities.

Voted Tax Sub-fund.

d. The proceeds of the additional tax approved at an annual school election. The proceeds of this tax can only be used for the purchase of ground, construction of buildings, payment of debt contracted for the construction of buildings, purchase of buildings and equipment for buildings, and the acquisition of liabilities, and for the purpose of maintaining, remodeling, improving, or expanding the area vocational school or area community colleege of the merged area which approved the additional tax. Payment of costs, incurred in providing the school facilities for which the tax was levied, is to be warrant drawn by the president and secretary of the board of directors of the merged area which approved the tax levy.

This is a restricted transfer sub-fund. The amount of the annual principal and interest payment must be paid to the sinking fund (bonds) asset object code 114 or sinking fund (notes payable) asset object code 115 depending upon the type of financing used before any of the tax proceeds can be used for any other school purpose. Any unused balance (after the obligation for any one year has been met) may be transferred to unexpended plant sub-fund.

8. Endowment Fund

This fund is used to account for these types of resources:

Endowment funds can be defined as those resources, the principal of which shall be maintained inviolate to conform with restrictions placed thereon by the donor of other outside agency. Generally only the income from these funds may be used and the net income from endowment fund investments should not be reported as transactions of the endowment fund group but should be credited directly to the fund group from which such income will be expended, that is general fund, loan fund, or plant funds.

Funding problems for area schools arose almost immediately after their inception. As indicated earlier, there was considerable enthusiasm for the development of merged area schools and consequently, these institutions were organized much sooner than many people probably had anticipated. This created the first real fiscal crisis since the Sixty-first General Assembly did not appropriate any funds for the operation of area schools. This led to a situation where area schools completed their first year of operation without access to an appropriation for State General Aid. This situation was resolved when the Sixty-second General Assembly in 1967 appropriated $4,500,000 to pay State General Aid claims for the 1967 school year. Senate File 616, the bill appropriating this State General Aid, provided that State General Aid be paid on the basis of the enrollment in programs as of May 1, 1967, and this enrollment was to be treated as if it was the average daily enrollment for the 1966-67 school year. Although this appropriation was greatly welcomed as meeting the state commitment, it unfortunately was not great enough to pay the claim in full. Consequently, the claims of area schools had to be pro-rated within the dollar amount appropriated. This meant that area schools received $1.91 instead of the $2.25 as provided by the formula in the code. (Please see figure 3.)

The Sixty-second General Assembly also appropriated $6,000,000 for each year of the 1967-69 biennium. These appropriations, again, proved not to be great enough to meet area school claims at the end of each fiscal year and consequently, the amount paid to area schools again had to be pro-rated for both fiscal year 1968 and 1969. The amount paid during 1968 was $2.01 or $.24 less than the $2.25 required by the formula and in fiscal year 1969 the amount further decreased to $1.67 or $.58 less than the amount required.

By the end of the third year of operation of area schools, fiscal year 1969, the area schools were facing a serious fiscal crisis. Although the legislature had removed the departmental rule requiring that area schools charge no more than $100 per semester for tuition, the total amounts available to area schools were not sufficient to meet the demands of existing programs and the need for new programs demanded by the constituencies and boards of directors in a number of the merged areas. The actual fiscal situation varied considerably among institutions since some schools assumed relatively large fiscal commitments by taking over the operation of existing educational programs such as MDTA programs, area vocational-technical schools and public junior colleges. Both enrollments and expenditures seemed to be increasing faster than the amount of resources available.

The reimbursement funds available through the Department of Public Instruction did not increase nearly as fast as many individuals had thought. Federal vocational aid, although showing some increases, did not show the dramatic increase that had been expected with the advent of the Vocational Education Act of 1963 and the amendments of 1968. In addition, state general aid was not paid at the full $2.25 and this coupled with additional costs for both staff and other operating expenditures, created a fiscally difficult situation for area schools.

The actual fiscal situation, of course, varied from one area school to another depending on the local situation. Those area schools with the smallest amount of local tax levy behind each full-time equivalent

enrollment were in the most difficult situation initially; however, it was only a matter of time before other merged areas experiencing growth were also affected as the amount of local tax levy behind each full-time equivalent enrollment decreased.

The two greatest problems confronting all area schools with the funding procedure at this time were:

1. The pro-ration of state general aid occasioned by the fact that appropriations for the first three years of operation were less than required to meet the formula established by law; and

2. The uncertainty in planning an educational program and budget since area schools never knew the actual amount of operating revenue they would have until after the completion of the fiscal year.

Although both of these problems were serious to all area schools, perhaps the one most difficult and frustrating was the uncertainty of not being able to know the amount of operational funds until after the end of each fiscal year. This uncertainty was caused by two factors:

1. State general aid was not really guaranteed at $2.25 per day per student but, instead, was paid after the end of a fiscal year when all claims were received. This meant that area schools could not anticipate $2.25 but instead would have to wait until all claims were filed before they would know how much less than $2.25 they would actually receive.

2. A second complication was the inability of area schools to know the total amount of State General Aid and state and federal vocational reimbursement income that would be available to them. This uncertainty was caused by the fact that state appropriations were made late in the legislative session (sometimes after area school budgets were developed and approved by the State Board of Public Instructin) and federal appropriations frequently were not made until near the end of the fiscal year in which the reimbursement funds were to be distributed.

This unfortunate combination of lack of adequate funds to pay claims in full and the uncertainty of not knowing what revenue was available did not lend itself to adequate educational planning. Instead, schools were constantly forced to revise plans or to build tentative budgets and educational plans constantly subject to revision. This situation certainly was not conducive to providing the type of planning and accountability that constituents of merged areas were entitled to; nor did it create any feeling of security for the staff as various clauses were added to contracts to anticipate this funding uncertainty.

The Sixty-third General Assembly in 1969 was concerned about the funding of area schools and recognized that there were some inequities in the present funding program. As a result, the legislature changed the funding formula

for area schools to provide, beginning on July 1, 1971, a formula that would provide area schools with $2.25 per day for the full-time equivalent enrollment of state residents based on a computation using actual contact hours of students rather than average daily enrollment. In addition, the formula established the state aid full-time equivalent enrollment as being equal to the sum of 180 days times $2.25. (See figure 4.)

The formula provided for the following definitions in determining full-time equivalent enrollment. First, the formula provided that full-time equivalent enrollment means the quotient of the total number of reimbursable hours carried by residents of the state attending a single area school, divided by 540, which represents 15 reimbursable hours per week for a period of 36 weeks. The key to this formula then became reimbursable hours. The formula further specifies that a "reimbursable hour" means any of the following:

1. One contact hour of lecture in an approved course in arts and science or vocational-technical education.

2. Two contact hours of laboratory in an approved course in arts and science or vocational-technical education.

3. Two contact hours in a approved course of adult education that is eligible for state general aid, except that basic adult education, high school completion, and college credit courses that qualify as lecture courses will be reimbursed on a one contact hour basis. Courses dealing with recreation, hobbies, casual cultural, or self-enjoyment subjects will not be eligible for reimbursement.

While this formula was being developed for implementation during the 1971-72 school year, area schools were demonstrating their concern with the present funding of their institutions by working together for the development of a more adequate funding appropriation. This collective work by area schools and staff of the Department of Public Instruction resulted in a request for a line item appropriation by the legislature for individual area schools. This approach to funding was considered more adequate than previous approaches since it would provide area schools with a definite dollar amount for the biennium around which they could plan. This type of an approach was designed to at least provide area schools with knowledge of the resources available to them in one of the four major sources of funds and enable more intelligent planning during the biennium.

The funding approach agreed upon was a formula that would attempt to guarantee all area schools the full $2.25 per day for each full-time equivalent enrollment and also provide an additional growth factor for eight area schools which were considered as developing institutions. The original appropriation request by area schools was somewhat more than the amount recommended by the Governor and approved by the legislature. Consequently, an effort was made to adjust the amount recommended by the Governor of 9.7 million for each year of the biennium to 9 million for the first year (fiscal Year 1970) and 10.4 million for the second (fiscal year

1971) to provide for some reasonable growth in the second year. In establishing the line item appropriation request for each institution, a base full-time equivalent enrollment allocation was established for each area school. The bulk of the Governor's recommendation was required to meet this base but a limited number of full-time equivalent enrollments that could be funded with the remaining funds were then allocated to area schools on the following basis.

1. The eight area schools identified as developing institutions based on the percentage of population not being served were allowed a five percent growth factor based on their fiscal year 1969 full-time equivalent enrollment.

2. The remaining funds were allocated to all fifteen area schools based on their percent of total state population. (See figure 5.)

This funding formula obviously did not meet the expectation of all area schools but it did meet the essential criterion of guaranteeing an allocation of funds for each year of the biennium that area schools could plan around. This concept proved to be popular and when the Sixty-fourth General Assembly met in 1971, a line item appropriation was again requested.

The actual allocation of funds requested for each area school during the 1971-73 biennium was based on the latest available actual full-time equivalent enrollments coupled with a direct comparison of actual enrollment in the fall term of 1969 and the vall term of 1970. This comparison provided a direct comparison of actual with anticipated enrollment for the next two years and was used to confirm enrollment projections.

The formula for allocating line item appropriations was again cooperatively developed by the area schools and the Department of Public Instruction. The actual request for the biennium of $34,000,000 was later paired down to meet the $25,970,000 provided in the Governor's budget that was eventually appropriated.

The individual line item allocations were determined by:

1. A base amount was established for each area school equal to the 1970-71 line item appropriation. Some area schools were given an adjusted increase to the base because they exceeded their projected enrollment for the 1969-70 school year. The amount required for this base for all area schools was $10,742,022.

2. The additional funds appropriated by the legislature were distributed on the basis of: a comparison of property valuation behind each student and an adjustment for area schools below the average valuation for the state; a comparison of tuition charged by area

schools and a negative adjustment for those area schools below the average; a comparison of enrollments (fall term of 1969 and fall term of 1970); and a comparison of the percentage of population being served by each merged area.

These four factors plus the base amount provided the dollar amounts used in requesting the line item appropriations.

The funding requests for fiscal years 1970 through 1973 were generally satisfactory to area schools since they provided actual dollar appropriations on which the area schools could plan. However, there were still serious questions regarding the funding of area schools since there were many variations in such factors as tuition charged, assessed valuation behind each student in a merged area, reimbursement procedures, the actual costs per program and per full-time equivalent enrollment, and the relatively greater need for growth by some area schools as opposed to others.

The approach to the appropriation request for the 1973-75 biennium again was a cooperative approach between the area schools and the Department of Public Instruction. The approach eventually agreed upon provided for support to maintain the on-going general fund operation and a request to replace instructional equipment that was either worn out or obsolete. In addition, a separate appropriation request was developed for the support of new programs. This latter request was deemed important since it would enable the legislature to clearly see the amount of funds area schools were requesting to start new programs or additional sections of existing programs.

The base appropriation requested in this appropriation for maintaining ongoing programs recognized a need for increased funds to meet spiraling inflationary pressures in the costs of living, materials, supplies, transportation and utilities. Each area school was allowed to claim an increase in proposed expenditures to provide an increase in expenditures for all educational functions (except those programs fully-funded by outside sources) by six percent for the 1973-74 and the 1974-75 school years.

The proposed expenditures that were increased by six percent for each year of the biennium were then reduced by the amount of projected revenue available from tuition, the three-quarter mill property tax levy, state and federal vocational and adult reimbursement and other revenue sources including federal funds. A determination of revenue for tuition was based on an effort to establish a uniform tuition charge over the biennium of $400 for two semesters or three quarters. (See figure 6 for latest tuition charge.) The difference between the proposed expenditures and the projected income then became the request for state general aid.

In addition, a separate request was made for equipment replacement that was equal to four and one-half percent of the total equipment inventory of all area schools as determined by the State Auditor's Office.

Although the line item appropriation eventually approved (See figure 7) by the legislature did not include the exact amounts as requested by this formula, it did provide generally for the amounts required to meet

on-going program needs and did provide $200,000 for each year of the biennium for equipment replacement. The department, in allocating the increased vocational reimbursement funds appropriated, determined that a significant portion of this appropriation would go toward the creation of new preparatory career programs. This determination by the department resulted in the development of sixty-three new preparatory career programs during fiscal year 1974 and five additional programs during 1975. In addition, each of the area schools received additional allocations to strengthen supplementary career programs for employed adults.

The appropriation for equipment replacement is quite significant since many area schools were badly in need of funds to replace existing equipment. Equipment included in the inventory of most area schools included NIEP equipment on loan from the federal government, Manpower Development and Training Act equipment that had been in use, in some cases, for a number of years including former usage by local school districts, and other items of equipment some purchased as used equipment initially. This equipment, in many cases, was in need of replacement either because it was worn out or because recent changes in occupations had made the equipment obsolete. The appropriation of $200,000 per year was approximately one percent of the total equipment inventory of area schools. However, these funds were significant in establishing a precedent by the legislature in recognizing this need. In addition, the appropriation for equipment replacement in fiscal year 1975 was increased by $300,000 during the second regular session of the legislature.

The second regular session of the Sixty-fifth General Assembly recognized the impact of inflation on the purchasing power of the dollar and appropriated $2,535,000 for salary adjustments for area school staff. This appropriation was intended to provide area school staff with an overall seven and one-half percent increase in salaries but the actual determination of how the funds were to be allocated was left to the discretion of the boards of directors of area schools. This salary adjutment is included in the state general aid amount for fiscal year 1975 (See figure 7).

Preparation for an appropriation request for the 1975-77 biennium was greatly influenced by the availability of additional financial information providing more accurate costs relating to both program costs and full-time equivalent enrollment costs. These costs and related information were carefully reviewed and a new concept for funding area schools was developed utilizing the average cost for full-time equivalent enrollments in area schools.

The final state general aid formula was developed through a formula that was based on four cost centers: adult, college parallel, vocational, and agricultural production for veterans. The average statewide cost for each of these cost centers was determined for fiscal year 1974, the last year figures were available. Each cost center was then multiplied by the number of full-time equivalent students in each area school enrolled in this cost center for fiscal year 1974. This base enrollment cost was then projected forward to fiscal year 1976 and 1977 by increasing the cost of each center by 8% with the exception that the vocational cost center was increased by 10 1/2% to better reflect the spiraling costs of inflation

affecting materials and utility costs. This projection then provided the anticipated expenditure to maintain the currently operating programs for the new biennium with the exception of Function Four programs which were excluded since they are fully funded from outside sources.

To determine the state general aid required, sources of revenue were subtracted from the anticipated expenditures. These sources of revenue were determined by: computing a tuition income based on the average tuition of all area school students for fiscal year 1974 multiplied by the full-time equivalent enrollment for each area school; including one-half of the projected income from the local tax levy for each area school (the remaining one-half was excluded to provide area schools with flexibility to meet unanticipated needs and matching fund requirements); projecting income from sales and services; and identifying the projected federal and state vocational aid. These revenue sources for each area school were then subtracted from the anticipated expenditures for each area school for the two years of the biennium.

After subtracting the major sources of revenue from projected expenditures for each year of the biennium, this figure for each area school was then adjusted by adding to it the salary adjustment appropriated by the General Assembly for fiscal year 1975 and a campus adjustment of $25,000 for a second major campus and an additional $15,000 for those area schools operating a third major campus. The sum of these amounts was the state general aid requests for the 1975-77 biennium. (See figure 10)

In addition to the request for state general aid to support the on-going programs, requests were also made for:

State vocational aid of $7,987,200 for fiscal year 1976 and $8,785,920 for fiscal year 1977. These requests for vocational aid were adjusted upward to reflect the increased operating costs of vocational programs occasioned by inflation and the sixty-eight new preparatory career programs initiated during the previous biennium.

An appropriation of $2,000,000 or the biennium to meet the additional costs of increased enrollments in the on-going programs since the state general aid formula provided no funds for enrollment growth beyond the fiscal year 1974 enrollment. An appropriation of $1,750,000 to the Department of Public Instruction to assist area schools in initiating new career programs intended to meet high priority needs.

An instructional equipment replacement appropriation of $2,552,215 for fiscal year 1976 and $2,807,436 for fiscal year 1977. This request was equal to ten percent of the equipment inventory of area schools.

The funding approach to the 1975-77 biennium represented a major change from previous approaches since it was based on actual costs per full-time equivalent enrollments. Procedures utilized in arriving at these average costs were readily available for public scrutiny and, as a consequence, the

formula received a rather positive acceptance as far as the concept of the formula. Actual appropriations, however, were considerably less than requested, $25,800,000 of state general aid for fiscal year 1976 rather that $30,258,126 and $29,800,000 of state general aid for fiscal year 1977 rather than $39,299,651. Vocational and equipment replacement requests were also reduced from the amounts requested. Vocational aid of $7,987,200 in fiscal year 1976 and $8,285,900 in fiscal year 1977 was appropriated while the equipment replacement increased substantially to $1,201,000 in fiscal year 1976 and $1,350,000 in fiscal year 1977. No appropriations were made for increased program enrollments and new career programs. (See figure 10 for appropriations.)

An additional appropriation was made of $787,500 for payment of the increased costs of employer's contributions to the Iowa Public Employees' Retirement System. This appropriation was to be paid at the conclusion of fiscal year 1977 to each merged area school based on the actual increases in contributions to the retirement system. This amount was insufficient to pay claims in full and had to be pro-rated at 85.795%.

One of the greatest impacts on area schools of the formula approach was the increased focus on program costs. The formula recognized average full-time equivalent enrollment costs and, as a result, had the effect of penalizing area schools that had higher than average costs., The implications of this impact were debated at considerable length. While some argued that this approach was necessary to encourage economy of operation, others protested that it was unfair to area schools that generally served more rural areas with lower concentrations of population and would have the tendency to encourage institutions to start relatively inexpensive programs rather than programs that had a higher priority and also a higher program cost.

The funding formula was further refined for presentation to the Sixty-seventh General Assembly to take into account concerns expressed by merged area school staff for inclusion of additional factors and particularly the need for new cost centers. The number of cost centers was expanded to eleven major cost centers: adult basic education; high school completion; supplementary career programs; continuing and general education; drinking driver's course; short-term preparatory career programs; full-time preparatory career programs; high school joint effort programs; agricultural production for veterans; special needs; and college parallel. Two of the major cost centers were further subdivided to provide additional cost centers; the full-time preparatory career program center was divided into one hundred twenty-three cost centers--one for each preparatory career program, and the special needs into two cost centers--one for programs and one for projects.

Full-time equivalent enrollment costs for each cost center were developed to exclude capital outlay expenditures. These cost centers were divided between direct costs and indirect costs for each cost center and the individual cost centers for each institution were adjusted toward the statewide averages by 66 2/3%. This adjustment provided each institution with a direct and an indirect cost for each cost center that was adjusted to two-thirds of the way to the statewide average cost.

The full-time equivalent enrollment for each cost center was adjusted forward for both direct and indirect costs by an inflationary factor of 7.3% per year. This percentage was the initial cost-of-living increase projected for the elementary-secondary foundation formula; the foundation formula percentage was later adjusted to 7.8%.

A significant change in the procedure for applying vocational reimbursement was also included in the formula. The reimbursement procedure for preparatory career programs was uniformly changed to an excess cost factor. This factor was determined by computing for each preparatory career cost center the amount that center was above, if, any of the average cost for college parallel programs. These amounts were then added together for each merged area school to arrive at the amount of vocational reimbursement to be paid as an excess cost factor to preparatory career programs. No excess cost vocational reimbursement was included in the formula for eighty-seven preparatory career programs whose costs did not exceed the average cost for college parallel programs.

In determining income sources for the funding formula several changes were made. These changes were: the inclusion of actual tuition and fees for fiscal year 1976 increased by 10% (excluding, however, tuition and fees for students not eligible to receive state general aid since the full-time equivalent enrollments and associated direct program costs for these students were excluded from the formula); a commitment factor for vocational reimbursement that was initially included in the formula at 15% of preparatory career program costs but was later reduced rather significantly to approximately 4%; and a projection of income for federal work study assistance to student employees.

Income sources were again subtracted from projections of anticipated expenditures based on fiscal year 1976 full-time equivalent enrollments increased by the inflationary factor of 7.3%. The difference between projected expenditures and income sources was the basis for the state general aid and vocational aid appropriations; allowing for the change in vocational aid based on the factor of excess costs in preparatory career programs. Two additional adjustments were then added to the formula to determine the need for state appropriations. These adjustments were the campus adjustment as in the previous biennium and a 7% minimal support level. The latter adjustment was an effort to guarantee that each merged area school would receive no less than 7% more state general aid and state vocational aid than in the previous fiscal year; total appropriations eventually approved by the General Assembly were sufficient to meet only 97.730% of the state general aid and vocational aid required by the formula.

Actual appropriations for the merged area school General Fund for fiscal year 1978 were $32,714,100 for the state general aid, $8,285,900 for state vocational aid, and $1,350,000 for equipment replacement. Two additional appropriations were also made of $134,000 to Merged Area I for continuation of the waste water treatment facility and $120,000 to Merged Area XII for operation of public radio station KWIT.

In addition to the appropriations for operating funds, an appropriation was made to Merged Area I of $1,500,000 for the Plant Fund to be used in the construction of physical facilities at the Dubuque (North) Center. This appropriation was actually an appropriation of $500,000 each year for three consecutive years beginning with fiscal year 1978. This appropriation is quite significant since it is the first capital appropriation for area school campuses since 1967.

The funding plan for fiscal year 1979 was similar to the plan for the previous year with the exception of some revisions and refinements. The basic foundation for the plan remained the major cost centers. The total number of these major cost centers remained at eleven but the full-time preparatory career cost center was sub-divided into one hundred thirty-four centers; eleven more than the previous year.

Full-time equivalent enrollment costs for each cost center again excluded capital outlay expenditures and the cost centers were divided between direct and indirect costs. Each of the cost centers, exclusive of special needs, was adjusted toward the statewide averages by eighty (80) percent. This adjustment toward the statewide average increased from the sixty-six and two-thirds (66 2/3) percent of the previous year.

The two cost centers for special needs were revised to identify only the actual expenditures for fiscal year 1977 rather than average costs. This revision was considered essential since these cost centers include a variety of programs and services to disadvantaged and handicapped students rather than programs that are approximately uniform statewide. A conversion to average costs in these cost centers would have resulted in allowing some merged area schools spuriously high allowable expenditures.

Each adjusted cost center, exclusive of the two centers for special needs, were then multiplied by the actual FTEE for fiscal year 1977 with the exception that the direct costs were multiplied by only the FTEE eligible for state general aid. These products were then added together to obtain a base expenditure for the formula.

The products of all full-time preparatory career adjusted institutional cost centers both for direct and indirect costs were compared to the statewide average cost per FTEE for the college parallel cost center to determine the amount, if any, each of these adjusted institutional cost centers exceeded the statewide average cost per FTEE for the college parallel cost center. The amount of excess cost for each cost center, if any, was then identified for reimbursement with vocational education reimbursement funds. An additional amount of state vocational education reimbursement funds was set aside for each program operated by merged area schools in the amount of approximately ten (10) percent of total preparatory career program costs to assure some minimal vocational reimbursement for each preparatory program.

The total projected base expenditures for the funding plan were adjusted for inflation by increasing this base by four point five (4.5) percent for fiscal year 1978 and seven point eight (7.8) percent for fiscal year 1979. The 4.5% for fiscal year 1978 was determined as being approximately equal to the percent of increase of total area school revenue sources for fiscal year 1978 and the 7.8% for fiscal year 1979 was determined from the preliminary amount of projected allowable budget increases available in the foundation program for local secondary school districts. The projected base expenditures adjusted for these two inflationary factors were then added together to determine the allowable expenditures in the funding plan for fiscal 1979.

Two additional special adjustments in allowable expenditures were also included. These were an adjustment for the wastewater treatment program at Merged Area X of $121,573 (a program previously funded with federal funds)

and an adjustment for multi-campus institutions that added $25,000 for an institution's second campus and $15,000 for an institution with a third campus.

Income sources for the funding plan for fiscal year 1979 included:

Actual tuition for fiscal year 1977 career and college parallel divisions increased for each merged area school by the proportionate amount that full-time tuition was increased for fiscal year 1978 with the exception of Merged Area X that had previously adjusted tuition;

Actual tuition for the adult education division for fiscal year 1977 was used and actual fees for all divisions for fiscal year 1977 were used but tuition payments for students in high school joint effort programs and tuition from students not eligible for state general aid were excluded;

Local property tax projected for fiscal year 1978 increased by three (3) percent was used;

State vocational aid of $8,716,000 was requested based on an amount for supplementary career programs based on actual fiscal year 1977 programs, an amount of commitment equal to approximately ten (10) percent of the total allowable expenditures for all full-time preparatory career programs, and an amount of excess cost that equaled the amount of expenditures full-time preparatory career programs exceeded the average statewide cost of college parallel programs;

Federal adult basic education funds were included based on the best estimate of federal funds available;

Sales and service income and "other" (all other income from minor sources) income were included in the same amount as is fiscal year 1977 for income sources that would re-occur in fiscal year 1979; and

Federal workstudy revenue was included at an amount equal to seventy-five (75) percent of the actual amount received in fiscal year 1977.

Income sources were subtracted from projections of allowable expenditures based on fiscal year 1977 full-time equivalent enrollments. The difference between allowable expenditures and projected income sources was the amount requested for the state general aid appropriation.

The appropriations requested for fiscal year 1979 included $39,360,411 for state general aid and $8,716,295 of state vocational aid. The request also included $2,576,230 of equipment replacement funds and two specialized appropriation requests of $1,250,000 for expansion of area school career programs and $500,000 for added enrollment in merged area schools.

In addition to the requests for funding that included all merged area schools, there were two requests for individual merged area schools. These

requests were $140,000 to operate public radio station KWIT in Merged Area XII and $85,000 for Merged Area XIII to match a federal grant for the development of a public radio station.

Actual appropriations for the merged area school General Fund for fiscal year 1979 were somewhat less than requested. The state general aid appropriation was $37,050,000, state vocational aid was $8,700,000, and state equipment replacement was $1,350,000. In addition a specialized appropriation of $130,000 to operate the public radio station in Merged Area XII was approved. This reduction from the original appropriation request was distributed to merged area schools on the basis of the funding plan with a four (4) percent base and a maximum of twenty (20) percent to insure that the appropriation would provide minimally sufficient resources for each merged area school. In determining the fiscal allocation for merged area schools, a combination of state general aid and state and federal vocational aid was used and each merged area school's allocation was prorated back from the original request but no institution received less than five (5) percent and the maximum increase permitted prior to the proration was twenty (20) percent. Four institutions were reduced arbitrarily by this decision to reduce to twenty (20) since the original appropriation request, if funded in full, would have provided these four institutions with a combined state general aid and state vocational aid appropriation of over twenty (20) percent more than the previous fiscal year.

A new appropriation of $250,000 to the General Fund was also approved by the General Assembly for added enrollment in merged area schools. This appropriation was intended to assist merged area schools in starting new programs in program areas where present enrollment limitations precluded the enrollment of additional students and where sufficient justification existed for permitting an enrollment expansion. This appropriation was made directly to the Department of Public Instruction for allocation to the merged area schools.

An additional appropriation for capital expenditures was made to Merged Area XIII of $85,000 to match federal funds for the initial capital costs of developing a public radio station to serve southwest Iowa.

In preparation for the funding plan for fiscal year 1980, the State Department of Public Instruction developed six proposed funding formats for review by the administrators of the merged area schools. These six plans were developed with the idea that they would present the maximum number of possible funding plans that would be viable for Iowa's merged area schools. It was hoped that a review of these funding plans initiated early in calendar year 1978 would provide ample opportunity for the identification of any possible needed changes in the funding plan for fiscal year 1980. Each of these proposed funding plans was assigned to a committee of merged area school administrators for study as well as a seventh plan recommended by the merged area school administrators. At the conclusion of these studies, the seven plans were then reviewed with the chief executive officers of the merged area schools and staff of the Department of Public Insstruction and the strengths and weaknesses of each plan were identified.

As a result of the funding study initiated by the Department of Public Instruction, the merged area school superintendents assigned to an appropriation study committee the assignment for revising the funding

formula for fiscal year 1980 to reflect changes deemed desirable. The review of various funding approaches provided a number of alternatives but not one which was considered to be clearly superior to the present funding formula.

Although no suitable alternative in funding was identified, there still appeared to be considerable concern on the part of area school administrators regarding the funding formula being used. The experiences of four years with this formula had compressed area school budgets to some extent within a narrow range as a result of movement toward average program costs, and also resulted in wide variations in appropriation requests for some merged area schools from one year to the next. These variations, in particular, were disturbing to merged area schools since administrators found it difficult to fiscally plan until the final results of the formula were available; the availability of this information frequently occureed relatively late in the appropriations planning process since all merged area school fiscal and enrollment reports had to be reviewed and corrected prior to the development of the formula input.

The Department of Public Instruction staff, reacting to what appeared to be an expression for change on the part of most area school superintendents toward a formula that apparently lacked universal acceptance but still seemed as viable as any of the other alternatives reviewed, presented a program funding approach that attempted to meet the major concerns directed toward the funding formula. The funding approach suggested by the Department of Public Instruction was built on a base of the fiscal year 1979 budgets as approved by the State Board of Public Instruction. The rationale for this aproach was an assumption that the fiscal year 1979 budget was the end result of four years of planning and revising a funding formula that moved merged area schools toward average program costs. As a result of these four years of effort, most merged area school budgets were revised dramatically to reflect the directions imposed by the funding formula. Consequently, the Department of Public Instruction staff felt a funding approach could be developed for fiscal year 1980 that reflected the fiscal year 1979 programs carried forward with an appropriate adjustment for inflation.

The actual funding approach recommended by the Department of Public Instruction and later accepted by both the merged area school superintendents and the boards of directors of merged area schools was a relatively simple approach that identified resources necessary to fund the expenditures proposed in the approved fiscal year 1979 budgets. These resources were then translated into proposed fiscal year 1979 expenditures and identified as the base for building toward the fiscal year 1980 appropriation request. This approach also very significantly excluded certain types of area school revenue such as federally funded programs and the federal protion of the special needs programs and projects. This exclusion was deemed desirable since these revenues were from sources over which the state frequently had little control and included programs that need not, in all cases, be commitments to be imposed upon state resources in the future.

In planning for this funding approach, two additional considerations were made that could have significant impacts on future funding of the merged area schools. These considerations were the inclusion of unrestricted fund balances as a part of the funding approach and a proposed limitation on the

amount of unrestricted fund balances that can be carried forward in future fiscal years. The former consideration was extremely significant since it proposed utilizing unrestricted fund balances to fund merged area school operating programs during fiscal year 1980; a decision that will then necessarily reduce the amount of state general aid required since a portion of the resources required for this funding approach will be supplied by the institutions' unrestricted fund balances. In addition, the decision to arbitrarily restrict the size of future unrestricted fund balances was also significant since it alerted merged area schools that at the end of the biennium, fiscal year 1981, merged area schools that retained an unrestricted fund balance larger than one month's operating expenditures would be penalized to the extent that future funding approaches would utilize the amounts greater than one month's operating expenditures to fund the institutions rather than attempting to receive a state appropriation equal to this amount.

Another important consideration in this funding approach was the procedure for funding those programs that were initiated during fiscal year 1979 with the added enrollment appropriation of $250,000. This appropriation was made relatively late in the session and most of these programs were not built into the budget for merged area school expenditures for fiscal year 1979. Therefore, an adjustment was made for those schools that participated in this added enrollment appropriation. The adjustment basically provided for the inclusion of the additional tuition revenue for these programs as well as the amount of the added enrollment appropriation exclusive of any equipment expenditures for fiscal year 1979. This consideration then increased the income resources for each for the particpating institutions by the amount of tuition and non-equipment expenditure income and subsequently increased the base for these institutions for fiscal year 1980 by these two amounts. This adjustment was considered necessary if these programs were to be continued in another biennium since some consideration had to be given to reflect the income required to support these programs in future years.

The total allowable expenditures (79,780,013.00) arrived at by this approach which included the adjustment for the added enrollment appropriation was then adjusted forward to reflect an inflationary increase of 8.5%. This inflationary increase was considered the amount of additional state general aid revenue that would be required to support the on-going fiscal year 1979 programs during fiscal year 1980 exclusive of those programs that were excluded which were basically the federally supported programs. Merged area schools also were informed at this time that the state general aid request of $44,132,985.00 would be reduced by whatever amount the local tax revenue would increase for fiscal year 1980 above the amount received for fiscal year 1979. The projection of local tax revenue for fiscal year 1980 was not available at the time the initial appropriation request was determined and this adjustment was scheduled for a later date. In addition, all merged area schools were notified that if the final state general aid appropriation was less than requested, all merged area schools would have their state general aid requests reduced in the same proportion.

During the legislative session agreements to merge two independent junior colleges, Palmer Junior College at Davenport and Ottumwa Heights College at Ottumwa, with Merged Area IX (Eastern Iowa Community College District) and Merged Area XV (Indian Hills Community College) respectively were approved

and a special request for appropriations to fund these mergers was submitted to the General Assembly. This appropriation included $282,474 for Merged Area IX and $228,300 for Merged Area XV. Both of these requests were eventually approved by the General Assembly and included in the line item allocation to these institutions in the total state general aid appropriation.

The General Assembly appropriated funds for the biennium rather than the annual appropriations of the previous biennium. State general aid appropriations were $42,168,500 for fiscal year 1980 and $48,141,500 for fiscal year 1981. The requests were for $43,962,985 and $51,151,512 respectively exclusive of the requests for the mergers with the independent junior colleges that were added during the session. The state vocational aid appropriation for both years was $8,700,000 as requested. There was also an equipment replacement appropriation of $1,600,000 for fiscal year 1980 and $1,850,000 for fiscal year 1981 which was less than the $2,883,218 and $3,075,431 requested but still a significant increase over the appropriations for the three previous years of $1,350,000 each year. The appropriation for new programs was $200,000 for each of the two fiscal years rather than the $600,000 requested and $50,000 less than the appropriation for fiscal year 1979.

Additional appropriations for the public radio stations operated by merged area schools were made of $130,500 for both fiscal years to operate the station in Merged Area XII, $120,000 and $130,500 respectively to operate the station in Merged Area XIII and $114,800 in fiscal year 1980 for the equipment needed to establish a public radio station in Merged Area V. Also appropriated was the $200,000 that was requested for each year of the biennium for the new Iowa Industrial Start-up Training Program.

The line item allocations for each merged area school included in the state general aid appropriation were reduced from the amounts requested in proportion to the appropriation request which was reduced from a projected inflationary increase of 8.5 percent to 7 percent by the General Assembly. The allocations were also reduced slightly to reflect the exclusion of the amounts that had been included in the request to offset the impact of the special taxes for unemployment insurance and tort liability.

During the legislative session of 1980 (Sixty-eighth General Assembly), the Department of Public Instruction presented five supplemental appropriation requests. These requests were:

1. A supplemental state general aid request to meet inflationary costs of $3,609,010;

2. An additional appropriation for new preparatory career programs and sections of $400,000;

3. An appropriation of $327,000 for equipment replacement for Northwest Iowa Technical College (Merged Area IV) for the Heavy Equipment Operator Program;

4. An appropriation of $105,000 for operation of the public radio station to be operated by Iowa Central Community College (Merged Area V); and

5. Additional funding of $150,000 for jointly administered programs of preparatory career education operated by merged area schools for students enrolled in local secondary school districts.

The supplemental state general aid request was determined by the following procedure:

1. Adding to the fiscal year 1979 base budgets of merged area schools the increased appropriation for state general aid for fiscal year 1980 and the increases in the local tax levy (this provided for approximately a 7% overall increase in merged area school operating budgets for fiscal year 1980);

2. Increasing the amount calculated in (1) above by 11.26% which represents the allowable growth for fiscal year 1981 of local school districts in the state foundation plan exclusive of the adjustments for prior fiscal years; and

3. Subtracting from the amount obtained in (2) above the state general aid appropriation for fiscal year 1981 to identify the supplemental appropriation required to provide an increase in merged area school operating budgets of 11.26% for fiscal year 1981.

This procedure, if funded, would have provided merged area schools with a state general aid appropriation of $51,750,510 in fiscal year 1981 or $598,998 more than the original request submitted to the General Assembly in 1979.

The General Assembly did not respond favorably to the requests and the only appropriation approved was $50,000 in House File 2580 for operation of the public radio station by Iowa Central Community College (Merged Area V). A recommendation by the Governor to the General Assembly for an appropriation to fund a 2% salary increase for state employees that would have included merged area school employees was withdrawn as the national economy slid further into a severe recession.

Later in the year, as the full impact of the economic recession became more apparent on state revenue, the Governor was forced to act and on August 12, 1980 the Governor invoked the provisions of Section 8.31, Code of Iowa, and in Executive Order Number 38 announced there would be a 3.6% reduction in allotments of all state appropriations. This action reduced all merged area school appropriations for fiscal year 1981 by 3.6%.

This reduction in state appropriations was later increased on December 15, 1980 by an additional 1% to a total reduction of 4.6% (See Figure 13).

The state general aid appropriation request for the 1981-83 biennium was cooperatively developed by Department of Public Instruction staff working closely with merged area school representatives. The appropriation request was developed through a procedure that attempted to provide each merged

area school with the resources the merged area school received in fiscal year 1981 and an allowable growth for inflation for each year of the 1981-83 biennium. The allowable growth for inflation was developed through a procedure that attempted to provide each merged area school with a uniform increase in appropriations to meet the anticipated increased cost of operating the on-going programs during the biennium.

The procedure for arriving at the state general aid request for the general fund was based on the actual cost per contact hour for fiscal year 1980 (the most recent information available at the time of the request). The state average cost per contact hour was computed for both direct and indirect costs for each of the three major cost centers of Adult Education, Arts and Sciences, and Vocational Education. The fiscal year 1980 state average direct and indirect cost per contact hour for each cost center was increased by seven percent for fiscal year 1981 and by 10 percent each for fiscal years 1982 and 1983. The seven percent increase in fiscal year 1981 represented the amount of resources the state intended to make available to merged area schools for that fiscal year prior to the 4.6% reduction. The increases of 10 percent each for the fiscal years 1982 and 1983 were based on the current estimated rate of allowable growth in the foundation plan for local school districts.

For fiscal year 1982 the calculated increase in state resources for each merged area school was determined by multiplying the 1980 state average cost per contact hour for each of the three cost centers by seven percent and this product was then multiplied by ten percent. The calculated increase was multiplied by the actual contact hours each area school generated in fiscal year 1980. This product was computed for each of the area schools for the three cost centers for both direct and indirect costs for contact hours eligible for state general aid. The indirect costs were also calculated for the contact hours not eligible to receive the state general aid. The increase in the state average cost for indirect costs was approximately one-third of that for the combined total of direct and indirect costs for all three cost centers. (The contact hours for students in jointly administered programs for secondary students were considered a fourth cost center and since those contact hours were not eligible for state general aid they were multiplied by only the increase in indirect costs.)

The estimated increase in the local tax levy for fiscal year 1982 was subtracted from the total amount of calculated increase for the combined total of the three cost centers plus the provision for jointly administered programs for each merged school to arrive at the net increase of state resources.

The amount of vocational reimbursement aid available to each merged area school was adjusted to reflect a uniform rate of reimbursement based on actual expenditures for fiscal year 1980. After the vocational reimbursement rate was determined the state general aid appropriation for fiscal year 1981 for each merged area school was adjusted so that the combined total amount of resources from state general aid and vocational reimbursement aid equaled the combined total received in fiscal year 1981. However, the portion that each resource constituted of the total varied from fiscal year 1981 because of the adjustment of vocational aid to uniform rate.

The amount of the calculated increase in state general aid less the estimated increase in the local tax levy was then added to the adjusted amount of state general aid the merged area school was credited with for fiscal year 1981, after the adjustment to standardize the vocational aid rate. This amount constituted the total state general aid request for each merged area school for fiscal year 1982. The amount of state general aid requested for fiscal year 1983 was based on an additional 10 percent increase in the state average costs per contact hour for each of the cost centers.

The total amounts of state general aid requested were also adjusted by the additional amounts required to continue the programs initiated during the previous biennium by the state "added enrolment appropriation" request and the vocational aid that was used in conjunction with this appropriation.

The actual state general aid appropriations requested for the 1981-83 biennium were $57,670,404 in fiscal year 1982 and $67,811,297 in fiscal year 1983. The vocational aid request remained the same as the previous biennium at $8,700,000 for each year of the biennium.

Separate appropriation requests were made for specialized situations. These included a request for one million dollars for each year of the biennium for new preparatory career programs and additional sections of existing programs and an equipment replacement request of $3,630,937 for fiscal year 1982 and $3,872,996 for fiscal year 1983. The equipment replacement requests were based on six and two-thirds percent of the equipment inventory of merged area schools.

Additional requests were made for each of the public radio stations operated by merged area schools in accord with the developing plan for making public radio accessible to all of Iowa. These appropriations were for $130,000 for fiscal year 1982 and $160,000 for fiscal year 1983 for Merged Area V, $200,000 for fiscal year 1982 and $225,000 for fiscal year 1983 for Merged Area XII, and $275,498 for fiscal year 1982 and $293,355 for fiscal year 1983 for Merged Area XIII.

The Department of Public Instruction also requested capital appropriations of: $156,363 to match a federal grant to obtain the funds necessary to develop a public radio station in Merged Area II; capital appropriations for the public radio station in Merged Area V of $30,000 for fiscal year 1982; and for the public radio station in Merged Area XIII of $22,000 for the same year. A separate request was made for $369,000 in fiscal year 1982 for equipment replacement for Merged Area IV's preparatory career program in Heavy Equipment Construction.

The Department of Public Instruction also requested $250,000 in fiscal year 1982 and $275,000 in fiscal year 1983 for the Iowa Industrial Start-up Training Program that was intended to be used by merged area schools

The unfortunate economic situation in early 1981 resulted in the determination by both the Governor's Office and the General Assembly to keep appropriation increases to a minimum. As a result of this situation, the Governor's Office recommended that appropriations be generally held to the appropriation level of fiscal year 1981 after the reduction of the 4.6 percent reversion and that they be increased in fiscal year 1983 to the amount of the initial fiscal year 1981 appropriation. The General Assembly

supported the Governor's request and, as a result, the appropriations for merged area schools for state general aid and vocational aid were the same as in fiscal year 1981 after the 4.6 percent reversion. The appropriations for state general aid were $45,926,991 in fiscal year 1982 and $48,141,500 in fiscal year 1983. For vocational aid the appropriation was $8,299,800 in fiscal year 1982 and $8,700,000 in fiscal year 1983. As a result of the added enrollment appropriation, there was also appropriated $190,800 in fiscal year 1982 and $200,000 in fiscal year 1983 to be allocated to merged area schools for continued support of the programs begun during the previous biennium. The amount appropriated for public radio stations in fiscal year 1982 remained the same as in fiscal year 1981 except that the distribution changed somewhat to provide that merged areas V, XII, and XIII were to receive $98,898 in fiscal year 1982 and $103,667 in fiscal year 1983.

No appropriations were made for equipment replacement, the Iowa Industrial Start-up Training program or for capital appropriations.

Recognizing that some relief had to be provided to merged area schools for increased energy costs and for salary adjustments, there were two new appropriations approved. The appropriation for energy costs was $600,000 for each year of the biennium to be used for assistance in meeting the increased utility and fuel costs which exceed energy conservation savings realized under a merged area school's energy conservation plan. The salary adjustment appropriation was intended to provide a salary adjustment for merged area school staff comparable to that received by other state employees and included an appropriation of $3,320,000 in fiscal year 1982 and $6,803,000 in fiscal year 1983. The actual amount of the salary adjustment appropriation was based on the estimated portion that state funds had contributed to the total resources received by merged area schools. (See figures 14 and 15.)

During the second regular session of the Sixty-ninth General Assembly in 1982 the merged area schools and Department of Public Instruction requested three supplementary appropriations for merged area schools. These requests were a restoration of the equipment replacement appropriation of $1,850,000, an appropriation of $100,000 for new preparatory career programs and new sections of existing programs and $275,000 to continue the Iowa Industrial Start-up Training Program. The General Assembly responded favorably to only one of these requests by appropriating $275,000 for the Iowa Industrial Start-up Training Program.

Planning for the appropriation requests for the 1983-85 biennium focused in on the need for an equitable funding procedure for merged area schools. Although the merged area schools and Department of Public Instruction did not feel the proposed funding formula was ready to be included in the Code of Iowa, there was sufficient agreement that the appropriation requests should be developed based on some of the major concepts in the proposed formula. Consequently, appropriation requests by the merged area schools and the Department included the following:

State general aid of $60,126,726 was requested for fiscal year 1984 and $67,112,100 was requested for fiscal year 1985.

Vocational aid of $8,700,000 was requested for each year of the biennium.

Equipment replacement assistance of $1,850,000 was requested for each year of the biennium.

For new programs $200,000 was requested for fiscal year 1984 and $300,000 for fiscal year 1985.

An added enrollment appropriation was requested of $200,000 for fiscal year 1984 and $400,000 for fiscal year 1985.

A separate appropriation for equalization was requested that included $1,508,000 for fiscal year 1984 and $1,200,000 for fiscal year 1985.

A continuation of the energy appropriation was requested of $650,000 for each year of the biennium.

A separate appropriation of $50,000 for each year of the biennium was requested for staff development.
Appropriations were requested for three merged area school radio stations that included for Merged Area V $110,716 in fiscal year 1984 and $118,245 in fiscal year 1985 and for merged areas XII and XIII appropriations of $139,374 each for fiscal year 1984 and $148,851 each for fiscal year 1985.

A request for the continuation of the Iowa Industrial Start-up Training Program included needed appropriations of $275,000 in fiscal year 1984 and $300,000 in fiscal year 1985.

A capital appropriation of $461,500 was also requested to provide necessary equipment for the heavy equipment program in Merged Area IV.

The request for state general aid was based on the following calculations:

$48,141,500	State general aid for fiscal year 1983.
8,700,000	State vocational aid.
200,000	Added enrollment appropriation to continue programs.
600,000	Energy appropriation.
6,803,000	Salary adjustment for fiscal year 1983.
$64,444,500	
6.8%	Growth factor (Urban Consumer Price Index)
$ 4,382,226	Projected income growth for fiscal year 1984.
$48,141,500	State general aid for fiscal year 1983.
200,000	Added enrollment appropriation to continue program.
600,000	Energy appropriation.
6,803,000	Salary adjustment for fiscal year 1983.
$55,744,500	State general aid base.
4,382,226	Projected income growth for fiscal year 1984.
$60,126,726	Request for fiscal year 1984 appropriation.

$60,126,726	Projected state general aid for fiscal year 1984.
8,700,000	State vocational aid.
650,000	Energy appropriation.
1,508,387	Equalization appropriation.
$70,985,113	Total projected state appropriation.
6.8%	Growth factor (Urban Consumer Price Index)
$ 4,826,987	Projected income growth for fiscal year 1985.

$60,126,726	Projected state general aid for fiscal year 1985.
650,000	Energy appropriation.
1,508,387	Equalization appropriation.
$62,112,100	Request for fiscal year 1985.
4,826,987	Projected income growth for fiscal year 1985.
$67,112,100	Request for fiscal year 1985 appropriation

The state general aid request, which was calculated on a 6.8% inflationary factor was to be distributed to merged area schools on the basis of the proposed funding formula. The intent was to use fiscal year 1983 revenues and expenditures as the base year for computing the amounts to be allocated to merged area schools. The allocation process was based on the four cost centers of adult education, arts and sciences, vocational-technical and cooperative high school programs.

The procedure recommended included calculating the average local and state costs for the four cost centers for contact hours of student enrollment Each merged area school was to be entitled to an inflationary factor increase in revenue which was to be based on the state average cost for the cost center and this amount was to be added to the local average cost for the cost center and the total multiplied by the number of contact hours in the cost center. The sum of all four cost centers for a merged area school was then to be identified as the total allowable cost for the institution and from this amount an amount equal to controllable revenue resources was to be subtracted to arrive at the amount of state general aid allocated to each merged area school.

To provide some opportunity for equalization of state support, a separate appropriation request was made for equalization. These funds were intended to be allocated to merged area schools who were below the state average cost in a cost center. The process for allocating these funds provided that they would be distributed on the basis of up to one-half of the fiscal year amount of the inflationary increase of a cost center for each institution that it was below the state average cost. This process would have provided each institution an opportunity, over a period of time, to come up to the state average cost of each cost center.

The funding requests were based on the following concepts included in the proposed funding formula:

each merged area school would have a base allowable amount in a cost center equal to the local average cost per contact hour;

there would be four cost centers;

the contact hour would be the base unit;

merged area schools below the state average cost would have an opportunity to gradually receive additional resources to come up to the state average cost;

the calculations used in the funding procedure would be the fiscal year immediately preceeding the budget year;

the inflationary increase would be based on the state average cost in a cost center; and

only controllable revenue resources would be deducted from an institution's allowable cost

The reaction to the appropriation requests was far from enthusiastic. The Governor basically recommended the same appropriation in total as the merged area school received in the prior fiscal year. The Governor's request combined in a single state general aid request the prior year's state general aid, salary adjustment appropriation, added enrollment appropriation, energy appropriation and radio station appropriations. No requests were made for equipment replacement or other special appropriations except for a continuation of the $8,700,000 vocational aid appropriation and $275,000 for the Iowa Industrial Start-up Training Program.

The final appropriations for fiscal year 1984 approved by the Genral Assembly included $56,455,501 for state general aid, $8,700,000 for state vocational aid, $275,000 for the start-up program and for fiscal year 1985 an appropriation of $2,484,000 for salary adjustments. The appropriation for state general aid and state vocational aid in total was $400,000 more than the prior year's total merged area school appropriations.

There was a provision in the approved appropriation bill that would have permitted the carry-over into fiscal year 1984 of any funds from the energy appropriation that were not allocated on the basis of fiscal year 1983 claims but this provision was vetoed by the Governor.

Two bills were approved by the General Assembly that will have an important impact on merged area school fiscal affairs. These bills were Senate file 537 and House File 623.

Senate File 537 amended Chapter 280A to add a new section, 280A.28, that authorizes merged area schools to certify for levy a tax rate not to exceed three cents per thousand dollars of assessed valuation for equipment replacement. The bill included a section repealing the tax effective July 1, 1988 thereby provided an equipment replacement levy for four fiscal years.

House File 623 authorized an Iowa Industrial New Jobs Training Program. This program is intended to provide an opportunity for merged area schools to implement projects to train workers for new jobs in new or expanding industries. The bill provides for agreements to fund the projects with

resources coming from certificates that may be paid from one or more of the following: incremental property taxes; credit from withholding taxes on salaries; and tuition and fees. The bill was intended to establish program to make Iowa competitive with other states in providing training for new employees.

The impact of the continuing recession on state revenues required action by the Governor early in the fiscal year to insure that the state maintained a budget that was not in a deficit position. In early September Governor Branstad announced a 2.8% reversion of state appropriations. This across-the-board reduction reduced the state general aid appropriation to $54,874,747, the vocational aid appropriation to $8,456,400 and the Iowa Industrial Start-Up Training appropriation to $267,300.

Although the response by the Governor and General Assembly to the biennial appropriation requests of the merged area schools was considerably less than requested, the Department of Public Instruction and the merged area schools presented essentially the same appropriation requests for fiscal year 1985 as they presented at the beginning of the biennium. The opportunity for receiving the amounts requested appeared very remote. However, it was considered essential to keep before the Governor and General Assembly the fiscal needs of the merged area schools and request the appropriations it would take to implement a funding formula and provide the funds necessary for equalization for those merged area schools below the state average costs in the four cost centers.

The requests for appropriations to the Second Regular Session of the Seventieth General Assembly included:

State General Aid	$67,528,047
Vocational Aid	8,700,000
Equipment Replacement	1,850,000
New Programs	300,000
Added Enrollment	400,000
Equalization Aid	1,200,000
Utility Assistance	650,000
Staff Improvement	50,000
Iowa Industrial Start-Up Training	300,000
Equipment Replacement-Merged Area IV	461,500

Fiscal contraints, resulting largely from a state economy slow to respond to the recovery from the recent recession, prevented the state from responding to most of the appropriation requests. The amounts appropriated included $55,106,204 for state general aid, $8,456,400 for state vocational aid, $75,000 for the Iowa Industrial Start-Up Training Program and $500,000 for equipment replacement. The latter appropriation was significant since it represented the first appropriation for equipment replacement since fiscal year 1981.

The fiscal exigency confronting the state resulted in a decision to reappropriate the state general aid for fiscal year 1984 to three quarters or $42,341,626 in fiscal year 1984 and the last quarter or $13,718,687 in fiscal year 1985 to be accrued as income and used for expenditures incurred in fiscal year 1984. This appropriation provided a reduction in the state budget for fiscal year 1984 but did continue the same general aid to the merged area

schools on an accrual basis. The state general aid for fiscal year 1985 was appropriated in the same manner with three quarters or $41,329,517 appropriated in fiscal year 1985 and the fourth quarter or $13,776,507 appropriated in fiscal year 1986 to be accrued and used for expenditures incurred in fiscal year 1985 (The three quarters of state general aid for fiscal year 1984 totaling $42,341,626 that was reappropriated was actually reduced to $41,156,060 by the 2.8% reveraion.)

Figure 1

MAJOR SOURCES OF AREA SCHOOL

INCOME FOR

OPERATIONAL PURPOSES

(General Fund)

Tuition and Fees	Local Tax levy (20 1/4 cents)	State & Federal Vocational & Adult Reimbursement	State General Aid

FOUR MAJOR SOURCES OF ICOME

FOR FISCAL YEAR 1967 THESE SOURCES CONSTITUTED 85% AND IN FISCAL YEAR 1984 THEY CONSTITUTE 91.36%

All Other Sources
(Includes Federal Non-
Vocational Funds, Gifts
Sale of Products, Unrestricted
Funds, etc.

FOR FISCAL YEARS 1967 THROUGH 1984 ALL OTHER SOURCES CONSTITUTED FROM 15% (FISCAL YEAR 1967 TO 8.64% (FISCAL YEAR 1984) OF ALL AREA SCHOOL INCOME TO THE GENERAL FUND

Figure 2

ALLOCATIONS OF STATE VOCATIONAL FACILITIES GRANTS

Merged Area	Amount Allocated
I - Calmar	$ 2,340,000*
II - Mason City	1,000,000
III - Estherville	750,000
IV - Sheldon	750,000
V - Fort Dodge	850,000
VI - Marshalltown	750,000
VII - Waterloo	1,335,000
IX - Davenport	1,190,000
X - Cedar Rapids	1,300,000
XI - Ankeny	1,800,000
XII - Sioux City	1,000,000
XIII - Council Bluffs	1,250,000
XIV - Creston	985,000
XV - Ottumwa	950,000
XVI - Burlington	750,000
TOTAL	$17,000,000

*Includes $1,500,000 appropriated in 1977 to be distributed $500,000 each in fiscal years 1978, 1979 and 1980.

Figure 3

AMOUNT OF STATE GENERAL AID PAID
PER FULL-TIME EQUIVALENT ENROLLMENT

(Fiscal Years 1967 through 1969)

Fiscal Year	Amount Authorized By Code	Amount Paid	(Difference)
1967	$2.25	$1.91	($.34)
1968	$2.25	$2.01	($.24)
1969	$2.25	$1.67	($.58)

THE AMOUNT APPROPRIATED IN FISCAL YEARS 1967 THROUGH 1969 WAS INSUFFICIENT TO PAY STATE GENERAL AID CLAIMS IN FULL.

Figure 4

FORMULA FOR PROVIDING STATE
GENERAL AID TO AREA SCHOOLS
(Chapter 286A, Code of Iowa)

IOWA RESIDENTS ONLY

Lecture Contact Hours (Career & Coll. Parallel)	X	1	=	Reimbursable Hours
				+
Laboratory Contact (Career & Coll. Parallel)	X	2	=	Reimbursable Hours
				+
Adult Basic & High School Completion Contact Hours	X	1	=	Reimbursable Hours
				+
All Other Eligible Adult Education Contact Hours	X	2	=	Reimbursable Hours
				TOTAL REIMBURSABLE HOURS
TOTAL REIMBURSABLE HOURS	X	540	=	FULL-TIME EQUIVALENT ENROLLMENT
Full-Time Equivalent Enrollment	X	$405(1)	=	STATE GENERAL AID

(1) $2.25 per day for thirty-six weeks

Figure 5

LINE ITEM ALLOCATION OF STATE GENERAL AID RECEIVED BY EACH AREA SCHOOL FOR THE 1969-71 BIENNIUM AND THE 1971-73 BIENNIUM

Merged Area	FY70	FY71	FY72	FY73
I - Calmar	$ 186,208.00	$ 245,070.00	$ 443,945.00*	$ 511,429.00
II - Mason City	738,222.00	801,968.00	918,261.00	1,028,182.00
III - Estherville	404,747.00	443,090.00	605,620.00	677,733.00
IV - Sheldon	189,157.00	228,434.00	265,392.00	307,892.00
V - Fort Dodge	742,121.00	818,966.00	1,044,383.00	1,175,689.00
VI - Marshalltown	896,020.00	942,851.00	1,066,140.00	1,178,242.00
VII - Waterloo	472,714.00	581,937.00	664,697.00	766,501.00
IX - Davenport	772,928.00	919,712.00	1,008,982.00	1,125,003.00
X - Cedar Rapids	1,165,180.00	1,314,505.00	1,509,157.00	1,724,525.00
XI - Ankeny	1,035,739.00	1,326,739.00	1,510,361.00	1,737,597.00
XII - Sioux City	327,058.00	416,441.00	531,453.00	611,255.00
XIII - Council Bluffs	499,859.00	610,306.00	800,849.00	914,271.00
XIV - Creston	266,424.00	316,403.00	358,985.00	407,974.00
XV - Ottumwa	665,737.00	736,130.00	823,492.00	926,633.00
XVI - West Burlington	560,531.00	611,588.00	718,283.00	807,074.00
- Emmetsburg	77,355.00	85,860.00	- - -	- - -
TOTAL	$9,000,000.00	$10,400,000.00	$12,270,000.00	$13,900,000.00*

*This figure includes $100,000.00 for the Dubuque Campus.

Figure 6

TUITION CHARGED BY AREA SCHOOLS
FISCAL YEAR 1985 (1984-85 SCHOOL YEAR)

SCHOOL YEAR OF THREE QUARTERS OR TWO SEMESTERS

Merged Area	Iowa Residents	Non-Iowa Residents
I - Calmar	$ 792.00	$ 1,584.00
II - Mason City	760.00	1,140.00
III - Estherville	750.00	1,125.00
IV - Sheldon	750.00	1,125.00
V - Fort Dodge	700.00	1,050.00
VI - Marshalltown	900.00	1,800.00
VII - Waterloo	792.00	1,584.00
IX - Davenport	800.00	1,200.00
X - Cedar Rapids	738.00	1,476.00
XI - Ankeny	896.00	1,792.00
XII - Sioux City	690.00	1,380.00
XIII - Council Bluffs	1,020.00	2,040.00
XIV - Creston	840.00	1,260.00
XV - Ottumwa	900.00	1,350.00
XVI - Burlington	820.00	1,230.00

Figure 7

STATE SUPPORT FOR AREA SCHOOLS FOR 1973-75 BIENNIUM

Merged Area	Line Item State General Aid		Salary Adjustment	Equipment Replacement Disbursement	
	Fiscal Year 1974	Fiscal Year 1975	Fiscal Year 1975	Fiscal Year 1974	Fiscal Year 1975*
I - Calmar	$ 556,825	$ 490,605	$ 111,286	$ 7,720	$ 24,578
II - Mason City	1,114,265	1,222,930	141,530	6,360	22,616
III - Estherville	724,350	794,085	105,953	5,740	24,455
IV - Sheldon	344,370	325,135	63,178	8,060	20,961
V - Fort Dodge	1,334,440	1,427,105	192,793	11,800	40,513
VI - Marshalltown	1,521,630	1,645,445	161,601	12,760	36,100
VII - Waterloo	1,042,945	1,114,315	156,645	13,380	49,155
IX - Davenport	1,162,505	1,321,205	193,990	18,420	52,403
X - Cedar Rapids	1,952,755	2,172,155	333,444	18,520	60,616
XI - Ankeny	2,190,205	2,283,180	317,935	34,580	107,932
XII - Sioux City	716,725	750,965	118,073	12,160	36,774
XIII - Council Bluffs	1,109,545	1,267,650	192,839	14,760	44,129
XIV - Creston	451,405	455,515	51,396	5,160	13,178
XV - Ottumwa	1,006,320	1,121,330	146,563	22,260	55,468
XVI - West Burlington	876,015	965,680	134,870	8,320	24,026
TOTALS	$16,104,300	$17,357,300	$2,422,096	$200,000	$ 612,904

*Includes total allocation for equipment replacement including $112,904 unexpected funds transferred from salary adjustment.

Figure 8

PROPORTION OF AREA SCHOOL INCOME DERIVED

FROM MAJOR FUNDING SOURCES FOR

FISCAL YEAR 1967 THROUGH 1984

Fiscal Year	Tuition and Fees	Local Tax Levy	State General Aid	State and Federal Voc. Aid	All Other Sources of Income
1967	13.95%	27.19%	00.00%	42.86%	16.00%
.1968	13.92%	16.46%	36.91%	26.02%	6.89%
1969	20.99%	15.46%	23.19%	31.74%	8.62%
1970	20.95%	18.06%	29.32%	23.21%	8.46%
1971	23.59%	15.84%	28.98%	21.46%	10.13%
1972	24.06%	14.04%	29.78%	20.74%	11.38%
1973	23.24%	13.12%	30.19%	20.12%	13.33%
1974	22.74%	11.79%	30.92%	20.99%	13.61%
1975	21.49%	5.42%(1)	31.63%	18.74%	22.72%
1976	21.58%	9.88%	34.76%	16.10%	17.68%
1977	21.65%	14.51%*	38.06%	15.32%	10.46%
1978	21.95%	11.30%	39.84%	16.62%	10.92%
1979	21.17%	11.58%	42.08%	16.15%	9.02%
1980	21.17%	10.89%	42.99%	15.71%	9.24%
1981	23.42%	10.57%	42.39%	13.11%	10.51%
1982	25.73%	10.95%	42.52%	11.53%	9.27%
1983	26.32%	10.64%	44.23%	10.15%	8.66%
1984	27.63%	10.79%	42.58%	10.36%	8.64%

1 - Due to change in fiscal year tax levy and accrual accounting, tax levy percentage use was reduced and use of unrestricted funds in other income increased.

* - Includes levy for loan repayment. $2,704,196 = 3.46%
14.51% - 3.46% = 11.05%

Figure 9

GROWTH OF AREA SCHOOL ENROLLMENTS AND EXPENDITURES

(Fiscal Year 1967 through 1984)

Fiscal Year	Full-Time Equivalent Enrollment (All Students)	Expenditures
1967	11,134.23	$ 6,608,823(1)
1968	17,944.25	20,172,391
1969	21,443.82	25,436,135
1970	24,158.86	31,358,404
1971	28,185.68	36,034,495
1972	32,553.52	40,674,524
1973	34,245.23	45,090,174
1974	35,816.29	51,387,102
1975	38,393.43	62,045,181
1976	43,761.51	71,872,955
1977	44,413.94	73,929,224
1978	42,720.68	80,719,178
1979	44,573.28	87,418,803
1980	48,049.81	97,595,190
1981	53,009.04	108,350,545
1982	54,616.42	113,278,499
1983	55,810,72	123,399,913
1984	54,605.88	128,955,740

1 - Expenditures appear less than anticipated because this was the first year of operation and some merged area schools were in operation for only a part of the school year and several had contracts with local school districts that had previously operated junior colleges.

Figure 10

APPROPRIATION REQUEST FOR 1975-77

Merged Area	STATE GENERAL AID REQUEST Requested Fiscal Year 1976	Requested Fiscal Year 1977	Appropriated Fiscal Year 1976	Appropriated Fiscal Year 1977	EQUIPMENT REPLACEMENT[1] Appropriated Fiscal Year 1976	Appropriated Fiscal Year 1977
I - Calmar	$ 1,050,169	$ 1,235,380	$ 885,411	$ 1,326,141	$ 48,761	$ 54,810
II - Mason City	2,080,184	2,347,285	1,754,538	1,962,975	44,917	50,490
III - Estherville	1,814,356	2,041,761	1,530,641	1,893,806	48,160	54,135
IV - Sheldon	662,878	766,155	559,743	737,010	49,721	55,890
V - Fort Dodge	2,564,206	2,878,658	2,163,659	2,380,025	75,183	84,510
VI - Marshalltown	2,079,375	2,324,876	1,951,610	2,146,771	67,136	75,465
VII - Waterloo	2,193,049	2,522,601	1,850,204	2,096,543	100,404	112,860
IX - Davenport	2,142,928	2,430,620	1,807,460	2,039,300	98,362	110,565
X - Cedar Rapids	3,917,947	4,440,968	3,305,534	3,696,976	106,288	119,475
XI - Ankeny	4,732,017	5,367,736	3,993,509	4,553,243	225,788	253,800
XII - Sioux City	1,435,960	1,646,618	1,211,079	1,502,642	72,420	81,405
XIII - Council Bluffs	1,800,601	2,063,089	1,577,328	1,796,015	88,994	100,035
XIV - Creston	635,622	724,097	547,464	691,692	27,023	30,375
XV - Ottumwa	1,616,945	1,865,415	1,369,324	1,555,115	102,085	114,750
XVI - West Burlington	1,531,889	1,734,058	1,292,496	1,421,746	45,758	51,435
TOTALS	$30,258,126	$34,389,317	$25,800,000	$29,800,000	$1,201,000	$1,350,000

[1] Allocated to individual merged areas based on equipment inventory.

Figure 11

APPROPRIATION REQUEST FOR 1977-79 BIENNIUM

Merged Area	STATE GENERAL AID REQUEST				EQUIPMENT REPLACEMENT[1]	
	Requested	Requested	Appropriated	Appropriated	Appropriated	Appropriated
	Fiscal Year 1978	Fiscal Year 1979	Fiscal Year 1978	Fiscal Year 1979	Fiscal Year 1978	Fiscal Year 1979
I - Calmar	$ 1,480,753	$ 1,621,245	$ 1,626,450	$ 1,732,626	$ 54,810	$ 60,345
II - Mason City	2,328,210	2,549,219	2,192,515	2,476,198	50,490	53,865
III - Estherville	2,051,920	2,245,912	1,992,789	2,248,231	54,135	56,700
IV - Sheldon	725,131	794,374	747 895	755,039	55,890	50,490
V - Fort Dodge	2,494,900	2,733,369	2,556,210	2,784,581	84,510	91,530
VI - Marshalltown	2,256,226	2,469,781	2,238,326	2,426,053	75,465	64,800
VII - Waterloo	2,236,266	2,448,116	2,135,419	2,657,243	112,860	112,995
IX - Davenport	2,525,177	2,765,866	2,466,688	2,810,818	110,565	103,140
X - Cedar Rapids	3,784,764	4,145,188	3,686,010	4,403,929	119,475	133,380
XI - Ankeny	5,159,282	5,650,888	5,035,761	5,593,837	253,800	236,250
XII - Sioux City	1,489,693	1,632,078	1,633,166	1,720,141	81,405	81,945
XIII - Council Bluffs	2,270,145	2,487,835	2,229,588	2,637,192	100,035	102,330
XIV - Creston	873,850	956,860	840,181	956,902	30,375	33,210
XV - Ottumwa	1,657,035	1,816,228	1,771,067	2,034,507	114,750	110,970
XVI - West Burlington	1,634,695	1,790,952	1,562,035	1,812,703	51,435	58,050
TOTALS	$32,968,047	$36,107,911	$32,714,100	$37,050,000	$ 1,350,000	$1,350,000

[1] -As allocated to individual merged areas based on equipment inventory.

Figure 12

APPROPRIATION REQUEST FOR 1979-81 BIENNIUM

Merged Area	STATE GENERAL AID REQUEST Requested	Requested	Appropriated	Appropriated	EQUIPMENT REPLACEMENT[1] Appropriated	Appropriated
	Fiscal Year 1980	Fiscal Year 1981	Fiscal Year 1980	Fiscal Year* 1981	Fiscal Year 1980	Fiscal Year 1981
I - Calmar	$ 2,068,009	$ 2,422,862	$ 1,929,040	$ 2,119,236*	$ 70,400	$ 99,364*
II - Mason City	2,888,069	3,321,208	2,733,833	2,953,268*	63,360	66,184*
III - Estherville	2,613,078	2,989,915	2,464,600	2,669,781*	68,640	83,303*
IV - Sheldon	930,588	1,119,093	868,613	976,637*	59,360	60,183*
V - Fort Dodge	3,256,762	3,749,651	3,111,971	3,350,749*	112,000	113,130*
VI - Marshalltown	2,817,400	3,204,799	2,707,690	2,876,874*	76,960	83,127*
VII - Waterloo	3,189,002	3,736,114	2,997,490	3,320,384*	128,320	131,662*
IX - Davenport	3,347,937	3,928,106	3,460,903	3,739,631*	121,280	133,779*
X - Cedar Rapids	5,350,370	6,280,728	5,120,162	5,582,281*	171,840	181,432*
XI - Ankeny	6,677,582	7,777,896	6,313,960	6,914,837*	271,360	304,092*
XII - Sioux City	2,067,106	2,441,926	1,916,996	2,159,952*	94,400	111,895*
XIII - Council Bluffs	3,107,993	3,612,237	2,973,597	3,219,951*	128,480	145,251*
XIV - Creston	1,113,739	1,285,001	1,075,177	1,157,334*	38,240	42,887*
XV - Ottumwa	2,400,301	2,794,625	2,498,359	2,701,059*	126,560	134,838*
XVI - West Burlington	2,135,049	2,487,351	1,996,109	2,185,017*	68,800	73,773*
TOTALS	$43,962,985	$51,151,512	$42,168,500	$45,926,991*	$1,600,000	$1,764,900*

[1]As allocated to individual merged areas based on equipment inventory.

Figure 13

APPROPRIATION FOR FISCAL YEAR 1981
WITH 3.6% REDUCTION AND ADDITIONAL 1.0% REDUCTION

Appropriation	Amount Appropriated	Amount After 3.6% Reduction	Amount After Additional 1.0% Reduction
Jointly Administered	150,000	144,600	143,100
New Preparatory (Added Enrollment)	200,000	192,800	190,800
General Aid	48,141,500	46,408,406	45,926,991
Vocational Aid	8,700,000	8,386,800	8,299,800
Radio Stations			
Area V	50,000	48,200	47,700
Area XII	130,500	125,802	124,497
Area XIII	130,500	125,802	124,497
Equipment Replacement	1,850,000	1,783,400	1,764,900

Figure 14

APPROPRIATION REQUEST FOR 1981-83

Merged Area	STATE GENERAL AID REQUEST Requested Fiscal Year 1982	Requested Fiscal Year 1983	Appropriated Fiscal Year 1982	Appropriated Fiscal Year* 1983	EQUIPMENT REPLACEMENT* Requested Fiscal Year 1982	Requested Fiscal Year 1983
I - Calmar	$ 2,686,934	$ 3,195,910	$ 2,119,236	$ 2,221,421	$ 202,289	$ 215,774
II - Mason City	3,589,494	4,225,016	2,953,268	3,095,669	146,829	156,618
III - Estherville	3,241,979	3,739,620	2,669,781	2,798,513	168,793	180,045
IV - Sheldon	1,376,640	1,606,642	976,637	1,023,727	143,883	153,475
V - Fort Dodge	4,003,467	4,641,884	3,350,749	3,512,316	230,170	245,514
VI - Marshalltown	3,499,250	4,032,600	2,876,874	3,015,591	167,701	178,881
VII - Waterloo	4,394,077	5,166,059	3,320,384	3,480,487	264,989	282,655
IX - Davenport	4,695,063	5,500,241	3,739,631	3,919,949	281,950	300,747
X - Cedar Rapids	7,175,002	8,558,741	5,582,281	5,851,448	370,862	395,587
XI - Ankeny	8,450,387	9,988,914	6,914,837	7,248,257	613,142	654,018
XII - Sioux City	2,804,791	3,346,274	2,159,952	2,264,101	218,310	232,864
XIII - Council Bluffs	4,075,487	4,779,853	3,219,951	3,375,211	305,143	325,485
XIV - Creston	1,426,779	1,618,787	1,157,334	1,213,137	88,947	94,877
XV - Ottumwa	3,553,737	4,252,341	2,701,059	2,831,299	276,132	294,540
XVI - West Burlington	2,697,317	3,158,416	2,185,017	2,290,374	151,797	161,916
TOTALS	$57,670,404	$67,811,298	$45,926,991	$48,141,500	$3,630,937	$3,872,996

*No funds were appropriated for equipment replacement for the 1981-1983 biennium.

Figure 15

TOTAL APPROPRIATION REQUESTS FOR 1981-83 BIENNIUM

Appropriation	Request-1982	Appropriation-1982	Request-1983	Appropriation-1983
General Aid	$57,670,404	$45,926,991	$67,811,297	$48,141,500
Vocational Aid	8,700,000	8,299,800	8,700,000	8,700,000
Equipment Replacement	3,630,937	- - - -	3,872,996	- - - -
New Preparatory Programs	1,000,000	190,800	1,000,000	200,000
Radio - Area V	130,000	98,898	160,000	103,667
Radio - Area XII	200,000	98,898	225,000	103,667
Radio - Area XIII	275,498	98,898	293,355	103,667
Industrial Start-Up	250,000	- - - -	275,000	275,000
Capital Radio-Area II	- - - -	- - - -	156,363	- - - -
Capital Equipment-Area IV	369,000	- - - -	- - - -	- - - -
Capital Radio-Area IV	30,000	- - - -	- - - -	- - - -
Capital Radio-Area XIII	22,500	- - - -	- - - -	- - - -
Energy	- - - -	600,000	- - - -	600,000
Salary Adjustment	- - - -	3,320,000	- - - -	6,803,000

Figure 16

TOTAL APPROPRIATION REQUESTS FOR 1983-85 BIENNIUM

Appropriation	Request-1984	Appropriation-1984	Request-1985	Appropriation-1985
General Aid	$60,126,726	$56,455,501*	$67,112,100	$55,106.024
Vocational Aid	8,700,000	8,700,000*	8,700,000	8,456,400
Equipment Replacement	1,850,000	- - - -	1,850,000	500,000
New Programs	200,000	- - - -	300,000	- - - -
Added Enrollment	200,000	- - - -	400,000	- - - -
Equalization	1,508,000	- - - -	1,200,000	- - - -
Energy	650,000	- - - -	650,000	- - - -
Staff Improvement	50,000	- - - -	50,000	- - - -
Radio-Area V	110,716	- - - -	118,245	- - - -
Radio-Area XII	139,374	- - - -	148,851	- - - -
Radio-Area XIII	139,374	- - - -	148,851	- - - -
Industrial Start-Up	275,000	275,000*	300,000	75,000
Capital-Area IV	461,500	- - - -	- - - -	- - - -
Salary Adjustment	- - - -	- - - -	- - - -	2,484,000

*Reversion of 2.8% reduced general aid to $54,874,747, vocational aid to $8,456,000 and the Iowa Industrial Start-Up Training to $267,300.

Appendix C

CHAPTER 286A

GENERAL AID TO SCHOOLS

286A.1 Area vocational schools, community and junior colleges.
286A.2 to 286A.3 Repealed.
286A.4 Determination.
286A.5 Information furnished by school district.
286A.6 Rules.
286A.7 to 286A.8 Repealed.
286A.9 Merged area schools general aid.
286A.10 Aid paid quarterly.
286A.11 Plan for allocation of remaining funds.
286A.12 Uniform accounting system.

286A.1 AREA VOCATIONAL SCHOOLS, COMMUNITY AND JUNIOR COLLEGES.

The several merged areas operating area vocational schools or community colleges and the several school districts operating junior colleges or community colleges in the state of Iowa shall be entitled to receive financial aid from the state in the manner and amount as provided in this chapter.

286A.2 to 286A.3 Repealed.

286A.4 DETERMINATION.

The general school aid funds allocated to each district shall be determined as follows:

Multiply one dollar and thirty cents by the number of students for which the district pays tuition for such students to attend an area vocational technical high school or program which has been established and approved under the provisions of chapter 258. Multiply this product by the actual number of days that the vocational technical school was officially in session, not to exceed one hundred eighty days. For any district which has an area vocational technical high school or program established and approved under the provisions of chapter 258, multiply one dollar and fifty cents by the number of full-time day students who have graduated from high school or who are beyond twenty-one years of age and are tuition students. Multiply this product by the actual number of days that the school was officially in session, not to exceed one hundred eighty days. A school district, in computing the tuition to charge such a student, shall deduct the amount of general aid received for such student from the regular tuition for such student.

286A.5 INFORMATION FURNISHED BY SCHOOL DISTRICT.

At the close of each school year, but not later than July 5, the local district or merged area school shall supply to the state department of public instruction the information required for calculation of the amount reimbursable to the district for elementary and secondary school. For any day student who has been enrolled on a less than a full school-day basis, the reimbursement shall be calculated proportionately to the portion for which the student is enrolled as shall be determined by the state department of public instruction. Forms for reporting information to calculate aid for elementary and secondary school purposes shall be supplied by the state department of public instruction to each school district not later than June 1. On or before August 1, the state department of public instruction shall furnish to the state comptroller estimates of the amount reimbursable for the year to each school district for general aid for elementary and secondary school purposes and upon said estimates the state comptroller shall, on or about August 1, make payment of the first half of the annual amount appropriated for such general aid. After all such claims have been calculated for the year and validated for accuracy, the state department of public instruction shall certify the same to the state comptroller prior to February 1. On or about February 1, the state comptroller shall make payment to the school districts, of the balance of the amount appropriated for such general aid, which, when taken with the first half payment, conforms to the amount of full year reimbursement due each school district as then validated and certified by the state department of public instruction. In the event that the amount appropriated for reimbursement of the school districts for such purposes is insufficient to pay in full the amounts to each of the school districts or merged areas, then the amount of each payment shall be reduced by the state comptroller in the ratio that the total respective funds appropriated and available for such aid bears to the respective total amounts certified for reimbursement. All funds received or to be received under the provisions of this chapter shall be taken into account and considered by each school district or merged area when estimating the amount required for the general fund.

286A.6 RULES.

The superintendent of public instruction, subject to the approval of the state board of public instruction, is hereby authorized to adopt such rules and definitions of terms as are necessary and proper for the administration of this chapter. The necessary expenses incurred by the department of public instruction in the administration of this chapter may be paid from the appropriation therefor. When such conditions as unnatural weather hazards, bad roads, epidemics, and the like, occur to such an extent as to penalize any district, the superintendent of public instruction can adjust the formula by taking the average of several months' attendance in lieu of the months affected by such epidemics or hazards.

286A.7 to 286A.8 Repealed.

286A.9 MERGED AREA SCHOOLS GENERAL AID.

Merged areas operating area schools shall be entitled to general school aid. Each merged area shall be entitled to two dollars and twenty-five cents per day for the full-time equivalent enrollment of students who are residents of the state. The total amount of state aid allocated to each area shall be computed by the following formula:

State aid Full-time equivalent enrollment X 180 days X $2.25.

The amount appropriated for general state aid for the fiscal year each year, shall first be allocated to each merged area, in accordance with the above formula, on the basis of its reimbursable full-time equivalent enrollment for

the previous school year. Any amount remaining shall be allocated to each merged area as provided in sections 286A.11 and 286A.12. Any course or program, the direct operational costs of which are entirely paid by federal, state, or other governmental agencies or private subsidy, or both, shall not be eligible for reimbursement.

For the purpose of this chapter, the following definitions shall apply:

1. "Full-time equivalent enrollment" means the quotient of the total number of reimbursable hours carried by residents of the state attending a single area school, divided by five hundred forty, which represents fifteen reimbursable hours per week for a period of thirty-six weeks.

2. "Reimbursable hour" means any of the following:

a. One contact hour of lecture in an approved course in arts and science or vocational-technical education. A contact hour of lecture is one that requires significant outside preparation.

b. Two contact hours of laboratory in an approved course in arts and science or vocational-technical education.

c. Two contact hours in an approved course of adult education that is eligible for general state aid, except that basic adult education, high school completion, and college credit courses that qualify as lecture courses will be reimbursed on a one contact hour basis. Courses dealing with recreation, hobbies, casual cultural, or self-enjoyment subjects shall not be eligible for reimbursement.

286A.10 AID PAID QUARTERLY.

Payment of the aid provided in section 286A.9 shall be made to each merged area at the end of each quarter of the school year, which commences on July 1 and ends on the following June 30, in the following manner:

1. At the close of each school year but not later than July 5, the board of directors of each such merged area shall certify to the state department of public instruction the information necessary to compute the aid entitlement, as hereinabove provided, for the school year ending on June 30 immediately preceding the said July 1. In addition thereto, each said board shall certify to the state department, its best bona fide estimate of what the same data and information will be for the school year that commences upon the said July 1, and ends on the following June 30.

2. On the basis of estimates certified, as provided in subsection 1 hereof, thirty percent of the anticipated aid entitlement for each such merged area shall be paid to the merged area at the end of each of the first three quarters of the school year for which said estimates have been certified. The aid payment for the fourth quarter shall be equal to the difference between the aggregate aid payments for the first three quarters and the total amount of aid entitlement computed on the basis of the actual information required for calculation, as certified in the following July, plus or minus such pro rata amount as may be necessary to make the aggregate total of general school aid paid to all such merged areas for the said year equal to the respective amounts of aid funds appropriated for payment to such areas in the said year.

3. Forms for the purpose of reporting the information and estimates required under subsection 1 hereof shall be supplied by the state department. After quarterly payments have been calculated they shall be certified to the state comptroller for payment. Such certification shall be made to the comptroller on or about August 1, November 1, February 1, and May 1 for aid payable for the preceding quarter. The comptroller shall pay the quarterly amounts so certified forthwith.

286A.11 PLAN FOR ALLOCATION OF REMAINING FUNDS.

The superintendent of public instruction, with the advice and participation of an advisory committee, shall submit a plan to the state comptroller for the allocation of any funds remaining after fulfilling the requirements of section 286A.9.

For the purpose of this section, the "advisory committee" shall consist of one board member from each merged area, to be appointed by each merged area board at its first meeting in July of each year.

286A.12 UNIFORM ACCOUNTING SYSTEM.

The superintendent of public instruction shall establish a uniform accounting system for area schools subject to the approval of the auditor of state. The accounting system shall provide for crediting all funds received in the form of federal aid, state aid, tuition, and miscellaneous fees to four separate accounts, as follows:

1. Arts and science education.
2. Vocational-technical education.
3. General adult education.
4. Co-operative programs or services.

All expenditures shall be charged to the appropriate accounts. No funds shall be transferred from one account to another without the approval of the superintendent of public instruction, and notification of all such transfers shall be given to the state comptroller. The accounting system of each area school shall be audited annually by the auditor of state.

Appendix D

A COMPARISON/RANKING OF GENERAL STATE AID RECEIVED PER REIMBURSABLE FTEE FY- '76

Ranking Col. 1	Area College Col. 2	Reimbursable FTEE Col. 3	General State Aid Col. 4	State Aid Per FTEE Col. 5
1	VI Marshalltown	2,210.39	$1,951,610	$882.93
2	V Ft. Dodge	2,803.58	$2,163,659	$771.75
3	III Estherville	2,120.59	$1,530,641	$721.80
4	XVI Burlington	1,870.61	$1,292,495	$690.95
5	XV Ottumwa	2,059.15	$1,369,324	$664.99
6	X Cedar Rapids	5,013.44	$3,305,535	$659.33
7	II Mason City	2,669.90	$1,754,538	$657.15
8	VII Waterloo	2,848.45	$1,850,204	$649.55
9	XI Des Moines	6,207.55	$3,993,509	$643.33
10	XIII Council Bluffs	2,462.18	$1,577,328	$640.62
11	XII Sioux City	1,997.16	$1,211,079	$606.40
12	IV Sheldon	1,001.38	$ 565,773	$564.99
13	IX Davenport	3,224.44	$1,807,460	$560.55
14	XIV Creston	1,014.89	$ 547,464	$539.43
15	I Calmar	1,929.07	$ 885,411	$458.98

High - Area VI - $882.93

Low - Area I - $458.98

Range $423.95

*Data obtained from DPI Report No. 6200-C47446 - 1/77 indicates that a total of $25,806,030 was distributed in general state aid. Data obtained from the State Comptrollers office indicates that a total of $25.8 million was distributed in general state aid.

A COMPARISON/RANKING OF GENERAL STATE AID RECEIVED PER REIMBURSABLE FTEE FY- '77

Ranking Col. 1	Area College Col. 2	Reimbursable FTEE Col. 3	General State Aid Col. 4	State Aid Per FTEE Col. 5
1	VI Marshalltown	2,182.88	$2,146,771	$983.46
2	III Estherville	2,030.52	$1,893,806	$932.67
3	V Ft. Dodge	2,767.93	$2,380,025	$859.86
4	IV Sheldon	951.73	$ 737,010	$774.39
5	XVI Burlington	1,852.56	$1,421,746	$767.45
6	X Cedar Rapids	4,833.85	$3,696,976	$764.81
7	II Mason City	2,673.34	$1,962,975	$734.28
8	XI Des Moines	6,268.40	$4,553,243	$726.38
9	XV Ottumwa	2,215.12	$1,555,115	$702.05
10	XII Sioux City	2,149.89	$1,502,642	$698.94
11	VII Waterloo	3,022.02	$2,096,543	$693.76
12	XIII Council Bluffs	2,627.72	$1,796,015	$683.49
13	XIV Creston	1,037.14	$ 691,692	$666.92
14	I Calmar	2,007.32	$1,326,141	$660.65
15	IX Davenport	3,134.34	$2,039,300	$650.63

High - Area VI - $983.46

Low - Area IX - $650.63

Range - $332.83

*Data obtained from DPI Report No. 6200-C72552-9/77 indicates that a total of $29,800,000 was distributed in general state aid. Data obtained from the State Comptrollers office is in agreement with this figure.

A COMPARISON/RANKING OF GENERAL STATE AID RECEIVED PER REIMBURSABLE FTEE FY -'78

Ranking Col. 1	Area College Col. 2	Reimbursable FTEE Col. 3	General State Aid Col. 4	State Aid Per FTEE Col. 5
1	VI Marshalltown	2,033.58	$2,238,326	$1,100.68
2	III Estherville	1,981.80	$1,992,789	$1,005.54
3	XVI Burlington	1,603.91	$1,562,035	$ 973.89
4	V Ft. Dodge	2,631.15	$2,556,210	$ 971.52
5	XIV Creston	896.01	$ 840,181	$ 937.69
6	I Calmar	1,864.50	$1,626,450	$ 872.33
7	XIII Council Bluffs	2,587.64	$2,229,588	$ 861.63
8	II Mason City	2,560.08	$2,192,515	$ 856.42
9	XII Sioux City	1,947.03	$1,633,166	$ 838.80
10	X Cedar Rapids	4,417.85	$3,686,010	$ 834.34
11	XI Des Moines	6,064.69	$5,035,761	$ 830.34
12	IX Davenport	3,030.34	$2,466,688	$ 814.00
13	IV Sheldon	935.28	$ 747,895	$ 799.65
14	XV Ottumwa	2,325.36	$1,771,067	$ 761.63
15	VII Waterloo	3,006.64	$2,135,419	$ 710.23

High - Area VI - $1,100.68

Low - Area VII - $ 710.23

Range $ 390.45

*Data obtained from DPI Report No. 6200-A82955-12/78 indicates that a total of $32,714,100 was distributed in general state aid. Data obtained from the State Comptrollers office indicates that a total of $32.7 million was distributed in general state aid.

A COMPARISON/RANKING OF GENERAL STATE AID RECEIVED PER REIMBURSABLE FTEE

FY-'79

Ranking Col. 1	Area College Col. 2	Reimbursable FTEE Col. 3	General State Aid Col. 4	State Aid Per FTEE Col. 5
1	VI Marshalltown	2,085.16	$2,426,053	$1,163.49
2	XIV Creston	836.54	$ 956,902	$1,143.88
3	III Estherville	1,975.74	$2,248,231	$1,137.92
4	V Ft. Dodge	2,491.31	$2,784,581	$1,117.72
5	XVI Burlington	1,690.60	$1,812,703	$1,072.22
6	XIII Council Bluffs	2,611.16	$2,637,192	$1,009.97
7	IX Davenport	3,026.40	$2,810,818	$ 928.77
8	II Mason City	2,747.42	$2,476,198	$ 901.28
9	XI Des Moines	6,214.76	$5,593,837	$ 900.09
10	I Calmar	1,976.49	$1,732,626	$ 876.62
11	VII Waterloo	3,032.08	$2,657,243	$ 876.38
12	XV Ottumwa	2,383.11	$2,034,507	$ 853.72
13	X Cedar Rapids	5,558.18	$4,403,929	$ 792.33
14	IV Sheldon	982.14	$ 755,039	$ 768.77
15	XII Sioux City	2,246.01	$1,720,141	$ 765.87

High - Area VI - $1,163.49

Low - Area XII - $ 765.87

Range $ 397.62

*Data obtained from DPI Report No. 6200-D16268-10/79 indicates that a total of $37,050,000 was distributed in general state aid. Data obtained from the State Comptrollers office indicates that a total of $37.1 million was distributed in general state aid.

A COMPARISON/RANKING OF GENERAL STATE AID RECEIVED

PER REIMBURSABLE FTEE

FY - '80

Ranking Col. 1	Area College Col. 2	Reimbursable FTEE Col. 3	General State Aid Col. 4	State Aid Per FTEE Col. 5
1	VI Marshalltown	2,180.17	$2,707,690	$1,241.96
2	III Estherville	1,991.94	$2,464,600	$1,237.29
3	XIV Creston	869.87	$1,075,177	$1,236.02
4	V Ft. Dodge	2,615,57	$3,111,971	$1,189.79
5	XIII Council Bluff	2,727.78	$2,973,597	$1,090.12
6	XVI Burlington	1,925.60	$1,996,109	$1,036.62
7	IX Davenport	3,481.65	$3,460,903	$ 994.04
8	II Mason City	2,879.79	$2,733,833	$ 949.32
9	VII Waterloo	3,216.07	$2,997,490	$ 932.04
10	XI Des Moines	6,992.49	$6,313,960	$ 902.96
11	IV Sheldon	968.60	$ 868,613	$ 896.77
12	X Cedar Rapids	5,809.29	$5,120,162	$ 881.37
13	I Calmar	2,196.29	$1,929,040	$ 878.32
14	XII Sioux City	2,227.30	$1,916,996	$ 860.68
15	XV Ottumwa	3,144.04	$2,498,359	$ 794.63

High Area VI - $1,241.96

Low Area XV - $ 794.63

Range - $ 447.33

*Data obtained from DPI Report No. 6200-D31254-10/80 indicates that a total of $42,168,500 was distributed in general state aid. Data obtained from the State Comptrollers Office indicates that a total of $42.2 million was distributed in general state aid.

A COMPARISON/RANKING OF GENERAL STATE AID RECEIVED

PER REIMBURSABLE FTEE

FY '81

Ranking Col. 1	Area College Col. 2	Reimbursable FTEE Col. 3	General State Aid Col. 4	State Aid Per FTEE Col. 5
1	XIV Creston	911.78	$1,157,333	$1,269.31
2	V Ft. Dodge	2,807.77	$3,350,750	$1,193.38
3	III Estherville	2,286.57	$2,669,781	$1,167.59
4	VI Marshalltown	2,557.42	$2,876,874	$1,124.91
5	XIII Council Bluffs	2,862.62	$3,219,951	$1,124.83
6	XVI Burlington	2,094.46	$2,185,017	$1,043.24
7	VII Waterloo	3,399.93	$3,320,384	$ 976.60
8	I Calmar	2,301.20	$2,119,236	$ 920.93
9	II Mason City	3,219.74	$2,953,268	$ 917.24
10	IX Davenport	4,163.50	$3,739,631	$ 898.19
11	XI Des Moines	7,717.40	$6,914,838	$ 896.01
12	X Cedar Rapids	6,361.30	$5,582,281	$ 877.54
13	XII Sioux City	2,533.51	$2,159,952	$ 852.55
14	IV Sheldon	1,186.79	$ 976,636	$ 822.92
15	XV Ottumwa	3,484.14	$2,701,059	$ 775.24

High Area XIV - $1,269.31

Low Area XV - $ 775.24

Range - $ 494.07

*Data obtained from DPI Report No. 6100-D80440-12/81 indicates that a total of $45,926,991 was distributed in general state aid. Data obtained from the State Comptrollers office indicates that a total of $48.1 million was distributed in general state aid.

A COMPARISON/RANKING OF GENERAL STATE AID RECEIVED

PER REIMBURSABLE FTEE

FY - '82

Ranking Col. 1	Area College Col. 2	Reimbursable FTEE Col. 3	General State Aid Col. 4	State Aid Per FTEE Col. 5
1	XIV Creston	1,029.24	$1,230,374	$1,195.42
2	V Ft. Dodge	2,997.60	$3,567,213	$1,190.02
3	XVI Burlington	1,993.77	$2,346,369	$1,176.85
4	III Estherville	2,439.32	$2,833,457	$1,161.58
5	VI Marshalltown	2,679.46	$3,058,478	$1,141.45
6	VII Waterloo	3,370.56	$3,563,740	$1,057.31
7	XIII Council Bluffs	3,118.19	$3,219,951	$1,032.63
8	II Mason City	3,085.99	$3,136,863	$1,016.49
9	I Calmar	2,318.56	$2,282,580	$ 984.48
10	IV Sheldon	1,131.47	$1,048,017	$ 926.24
11	XI Des Moines	8,046.59	$7,406,197	$ 920.41
12	IX Davenport	4,450.97	$4,030,795	$ 905.60
13	X Cedar Rapids	6,895.85	$6,027,161	$ 874.03
14	XII Sioux City	2,718.47	$2,159,952	$ 794.55
15	XV Ottumwa	3,786.23	$2,917,191	$ 770.47

High - Area XIV - $1,195.42

Low - Area XV - $ 770.47

Range $ 424.95

*Data obtained from DPI Report No. 6100-E15869-10/82 indicates that a total of $48,828,338 was distributed in general state aid. Data obtained from the State Comptrollers office indicates that $45.9 million was distributed in general state aid and an additional $3.3 million in salary increases for a total of $49.2 million.

A COMPARISON/RANKING OF GENERAL STATE AID RECEIVED

PER REIMBURSABLE FTEE

FY - '83

Ranking Col. 1	Area College Col. 2	Reimbursable FTEE Col. 3	General State Aid Col. 4	State Aid Per FTEE Col. 5
1	V Ft. Dodge	3,050.78	$3,956,552	$1,296.90
2	XVI Burlington	2,041.79	$2,621,000	$1,283.68
3	VI Marshalltown	2,696.97	$3,388,395	$1,256.37
4	XIII Council Bluffs	3,086.64	$3,876,592	$1,255.93
5	III Estherville	2,554.01	$3,134,581	$1,227.32
6	XIV Creston	1,125.23	$1,362,803	$1,211.13
7	VII Waterloo	3,520.85	$3,979,147	$1,133.39
8	I Calmar	2,332.67	$2,556,130	$1,095.80
9	IV Sheldon	1,089.32	$1,169,982	$1,074.05
10	II Mason City	3,237.70	$3,472,555	$1,072.54
11	XI Des Moines	8,141.86	$8,264,185	$1,015.02
12	IX Davenport	4,687.38	$4,511,130	$ 962.40
13	XII Sioux City	2,843.62	$2,621,259	$ 921.80
14	X Cedar Rapids	7,552.78	$6,754,200	$ 894.27
15	XV Ottumwa	3,725.24	$3,274,854	$ 879.10

High - Area V - $1,296.90

Low - Area XV - $ 879.10

Range $ 417.80

*Data obtained from DPI Report No. 6100-E46523-11/83 indicates that a total of $54,943,365 was distributed in general state aid. Data obtained from the State Comptrollers office indicates that $48.1 million was distributed in general state aid and an additional $6.8 million in salary increases for a total of $54.9 million.

A COMPARISON/RANKING OF GENERAL STATE AID RECEIVED

PER REIMBURSABLE FTEE

FY - '84

Ranking Col. 1	Area College Col. 2	Reimbursable FTEE Col. 3	General State Aid Col. 4	State Aid Per FTEE Col. 5
1	V Ft. Dodge	3,083.01	$4,004,968	$1,299.04
2	XIII Council Bluffs	3,101.76	$3,968,275	$1,279.36
3	XVI Burlington	2,045.55	$2,567,864	$1,255.34
4	XI Des Moines	6,877.37	$8,203,904	$1,192.88
5	VI Marshalltown	2,846.48	$3,390,728	$1,191.20
6	XIV Creston	1,143.62	$1,335,284	$1,167.59
7	III Estherville	2,662.64	$3,100,034	$1,164.27
8	I Calmar	2,295.07	$2,622,117	$1,142.50
9	VII Waterloo	3,526.79	$3,942,540	$1,117.88
10	IV Sheldon	1,091.79	$1,180,924	$1,081.64
11	II Mason City	3,276.38	$3,440,680	$1,050.15
12	XII Sioux City	2,695.00	$2,742,288	$1,017.55
13	IX Davenport	4,673.42	$4,437,580	$ 949.54
14	X Cedar Rapids	7,716.07	$6,730,256	$ 872.24
15	XV Ottumwa	3,850.95	$3,238,072	$ 840.85

High - Area V - $1,299.04

Low - Area XV - $ 840.85

Range $ 458.19

*Data obtained from DPI Report No. 6100-E69048 - 8/84 indicates that a total of $54,905,514 was distributed in general state aid. Data obtained from the State Comptrollers office indicates that $55.1 million was distributed in general state aid and $2.5 million in salary increases for a total of $57.6 million.

A COMPARISON/RANKING OF LOCAL SUPPORT REVENUE PER FTEE
FY - '76

Ranking Col. 1	Area College Col. 2	Total FTEE Col. 3	Local Support Revenue Col. 4	Local Support Revenue Per FTEE Col. 5
1	IX Davenport	3,608.10	$ 830,590	$ 230.20
2	IV Sheldon	1,072.19	$ 223,910	$ 208.83
3	XII Sioux City	2,245.76	$ 446,378	$ 198.76
4	XI Des Moines	6,878.11	$1,327,882	$ 193.06
5	XIV Creston	1,077.71	$ 201,602	$ 187.07
6	V Ft. Dodge	3,061.93	$ 570,804	$ 186.42
7	VII Waterloo	2,929.80	$ 520,959	$ 177.81
8	I Calmar	2,119.97	$ 357,247	$ 168.52
9	XIII Council Bluffs	2,865.67	$ 464,779	$ 162.19
10	II Mason City	2,809.93	$ 414,489	$ 147.51
11	XV Ottumwa	2,255.22	$ 311,409	$ 138.08
12	X Cedar Rapids	5,754.32	$ 774,780	$ 134.64
13	XVI Burlington	2,123.33	$ 276,772	$ 130.35
14	VI Marshalltown	2,412.05	$ 310,136	$ 128.58
15	III Estherville	2,547.42	$ 306,010	$ 120.13

High Area IX - $230.20

Low Area III - $120.13

Range $110.07

* The above Local Support Revenue amounts were obtained from DPI Report No. 6200-C47446-1/77.

A COMPARISON/RANKING OF LOCAL SUPPORT REVENUE PER FTEE FY -'77

Ranking Col. 1	Area College Col. 2	Total FTEE Col. 3	Local Support Revenue Col. 4	Local Support Revenue Per FTEE Col. 5
1	IV Sheldon	1,018.81	$462,555	$454.01
2	I Calmar	2,272.72	810,263	356.52
3	XIV Creston	1,126.31	375,645	333.52
4	XII Sioux City	2,391.54	782,765	327.31
5	XI Des Moines	6,741.45	2,021,810	299.91
6	V Ft. Dodge	3,113.56	883,640	283.80
7	IX Davenport	3,477.27	973,982	280.10
8	XIII Council Bluffs	3,066.67	803,004	261.85
9	X Cedar Rapids	5,567.29	1,270,479	228.20
10	XV Ottumwa	2,425.33	548,861	226.30
11	III Estherville	2,691.99	566,440	210.42
12	VII Waterloo	3,104.48	605,824	195.15
13	II Mason City	2,896.13	536,908	185.39
14	VI Marshalltown	2,391.31	390,733	163.40
15	XVI Burlington	2,090.62	328,450	157.11

High	Area IV	$454.01
Low	Area XVI	$157.11
Range		$296.90

* The above Local Support Revenue amounts were obtained from DPI Report No. 6200-C72552-9/77.

A COMPARISON/RANKING OF LOCAL SUPPORT REVENUE PER FTEE

FY - '78

Ranking Col. 1	Area College Col. 2	Total FTEE Col. 3	Local Support Revenue Col. 4	Local Support Revenue Per FTEE Col. 5
1	IV Sheldon	1,001.98	311,575	310.96
2	I Calmar	2,094.06	598,966	286.03
3	XIV Creston	991.25	270,774	273.16
4	XII Sioux City	2,335.95	601,537	257.51
5	XI Des Moines	6,527.91	1,666,256	255.25
6	V Ft. Dodge	3,051.77	730,417	239.34
7	IX Davenport	3,572.14	798,573	223.56
8	II Mason City	2,701.09	544,171	201.46
9	X Cedar Rapids	4,936.54	984,037	199.34
10	VII Waterloo	3,138.02	594,940	189.59
11	XIII Council Bluffs	3,079.29	576,893	187.35
12	XVI Burlington	1,885.82	343,467	182.13
13	VI Marshalltown	2,258.47	407,201	180.30
14	XV Ottumwa	2,525.87	420,893	166.63
15	III Estherville	2,620.52	425,868	162.51

High	Area IV	$ 310.96
Low	Area III	$ 162.51
Range		$ 148.45

* The above Local Support Revenue amounts were obtained from DPI Report No. 6200-A82955-12/78.

A COMPARISON/RANKING OF LOCAL SUPPORT REVENUE PER FTEE FY -'79

Ranking Col. 1	Area College Col. 2	Total FTEE Col. 3	Local Support Revenue Col. 4	Local Support Revenue Per FTEE Col. 5
1	IV Sheldon	1,036.89	$ 346,905	$ 334.56
2	XIV Creston	922.95	$ 290,654	$ 314.92
3	XII Sioux City	2,552.60	$ 732,644	$ 287.02
4	V Ft. Dodge	2,942.00	$ 837,679	$ 284.73
5	I Calmar	2,282.31	$ 648,850	$ 284.30
6	XI Des Moines	6,535.34	$1,724,530	$ 263.88
7	IX Davenport	3,474.72	$ 880,792	$ 253.49
8	VII Waterloo	3,159.76	$ 711,107	$ 225.05
9	II Mason City	2,874.02	$ 593,863	$ 206.63
10	XVI Burlington	1,962.56	$ 386,259	$ 196.81
11	XIII Council Bluffs	3,160.52	$ 614,753	$ 194.51
12	VI Marshalltown	2,290.21	$ 439,328	$ 191.83
13	X Cedar Rapids	6,211.52	$1,104,691	$ 177.85
14	III Estherville	2,581.26	$ 447,577	$ 173.39
15	XV Ottumwa	2,586.62	$ 435,776	$ 168.47

High Area IV - $ 334.56

Low Area XV - $ 168.47

Range $ 166.09

* The above Local Support Revenue amounts were obtained from DPI Report No. 6200-D16268-10/79.

A COMPARISON/RANKING OF LOCAL SUPPORT REVENUE PER FTEE

FY -'80

Ranking Col. 1	Area College Col. 2	Total FTEE Col. 3	Local Support Revenue Col. 4	Local Support Revenue Per FTEE Col. 5
1	IV Sheldon	1,035.92	$ 349,068	$ 336.96
2	XIV Creston	947.86	$ 295,519	$ 311.77
3	XII Sioux City	2,464.75	$ 716,579	$ 290.73
4	I Calmar	2,452.84	$ 709,267	$ 289.16
5	V Ft. Dodge	3,065.61	$ 849,594	$ 277.14
6	XI Des Moines	7,342.34	$ 1,826,904	$ 248.82
7	IX Davenport	3,989.03	$ 947,702	$ 237.58
8	VII Waterloo	3,330.82	$ 724,699	$ 217.57
9	II Mason City	2,974.82	$ 644,070	$ 216.51
10	III Estherville	2,534.76	$ 511,734	$ 201.89
11	VI Marshalltown	2,399.00	$ 453,666	$ 189.11
12	XIII Council Bluffs	3,444.71	$ 646,775	$ 187.76
13	XVI Burlington	2,209.82	$ 386,814	$ 175.04
14	X Cedar Rapids	6,548.25	$ 1,123,709	$ 171.60
15	XV Ottumwa	3,309.28	$ 495,031	$ 149.59

High Area IV - $336.96

Low Area XV - $149.59

Range - $187.37

* The above Local Support Revenue amounts were obtained from DPI Report No. 6200-D31254-10/80.

A COMPARISON/RANKING OF LOCAL SUPPORT REVENUE
PER FTEE
FY - '81

Ranking Col. 1	Area College Col. 2	Total FTEE Col. 3	Local Support Revenue Col. 4	Local Support Revenue Per FTEE Col. 5
1	XIV Creston	1,012.49	$ 361,418	$356.96
2	IV Sheldon	1,240.71	$ 383,746	$309.30
3	I Calmar	2,564.03	$ 767,838	$299.47
4	V Ft. Dodge	3,362.15	$ 904,140	$268.92
5	XII Sioux City	2,853.30	$ 727,800	$255.07
6	XI Des Moines	8,116.26	$2,011,150	$247.79
7	VII Waterloo	3,546.34	$ 765,485	$215.85
8	II Mason City	3,320.96	$ 714,560	$215.17
9	IX Davenport	4,801.96	$1,009,782	$210.29
10	III Estherville	2,784.85	$ 547,643	$196.65
11	XIII Council Bluffs	3,486.66	$ 684,815	$196.41
12	VI Marshalltown	2,777.97	$ 500,125	$180.03
13	X Cedar Rapids	7,009.54	$1,150,989	$164.20
14	XVI Burlington	2,420.53	$ 394,109	$162.82
15	XV Ottumwa	3,711.03	$ 529,648	$142.72

High	Area XIV -	$356.96
Low	Area XV -	$142.72
Range		$214.24

* The above Local Support Revenue amounts were obtained from DPI Report No. 6100-D80440-12/81.

A COMPARISON/RANKING OF LOCAL SUPPORT REVENUE
PER FTEE
FY - '82

Ranking Col. 1	Area College Col. 2	Total FTEE Col. 3	Local Support Revenue Col. 4	Local Support Revenue Per FTEE Col. 5
1	XIV Creston	1,110.54	$ 392,543	$ 353.47
2	IV Sheldon	1,182.03	$ 409,731	$ 346.63
3	I Calmar	2,583.91	$ 854,313	$ 330.63
4	V Ft. Dodge	3,338.12	$1,002,537	$ 300.33
5	XI Des Moines	8,408.74	$2,225,503	$ 264.67
6	XII Sioux City	3,017.06	$ 776,614	$ 257.41
7	II Mason City	3,207.73	$ 795,532	$ 248.00
8	VII Waterloo	3,471.37	$ 825,722	$ 237.87
9	IX Davenport	4,947.45	$1,077,491	$ 217.79
10	XIII Council Bluffs	3,690.59	$ 746,530	$ 202.28
11	III Estherville	2,890.61	$ 579,940	$ 200.63
12	XVI Burlington	2,318.80	$ 439,963	$ 189.74
13	VI Marshalltown	2,847.11	$ 514,623	$ 180.75
14	X Cedar Rapids	7,632.82	$1,323,885	$ 173.45
15	XV Ottumwa	3,969.54	$ 612,215	$ 154.23

High Area XIV - $353.47

Low Area XV - $154.23

Range $199.24

* The above Local Support Revenue amounts were obtained from DPI Report No. 6100-E15869- 10/82.

A COMPARISON/RANKING OF LOCAL SUPPORT REVENUE PER FTEE
FY - '83

Ranking Col. 1	Area College Col. 2	Total FTEE Col. 3	Local Support Revenue Col. 4	Local Support Revenue Per FTEE Col. 5
1	IV Sheldon	1,146.63	$ 427,538	$ 372.86
2	I Calmar	2,546.37	$ 889,678	$ 349.39
3	XIV Creston	1,193.08	$ 404,102	$ 338.70
4	V Ft. Dodge	3,411.53	$1,005,418	$ 294.71
5	XI Des Moines	8,622.90	$2,313,656	$ 268.32
6	XII Sioux City	3,140.73	$ 838,639	$ 267.02
7	VII Waterloo	3,593.35	$ 887,274	$ 246.92
8	IX Davenport	5,082.44	$1,194,031	$ 234.93
9	XIII Council Bluffs	3,506.44	$ 802,489	$ 228.86
10	II Mason City	3,336.79	$ 760,137	$ 227.80
11	III Estherville	2,934.92	$ 598,183	$ 203.82
12	XVI Burlington	2,348.46	$ 450,624	$ 191.88
13	VI Marshalltown	2,848.20	$ 534,118	$ 187.53
14	X Cedar Rapids	8,206.58	$1,471,032	$ 179.25
15	XV Ottumwa	3,892.30	$ 642,354	$ 165.03

High - Area IV - $ 372.86

Low - Area XV - $ 165.03

Range $ 207.83

* The above Local Support Revenue amounts were obtained from DPI Report No. 6100-E 46523-11/83.

A COMPARISON/RANKING OF LOCAL SUPPORT REVENUE
PER FTEE
FY - '84

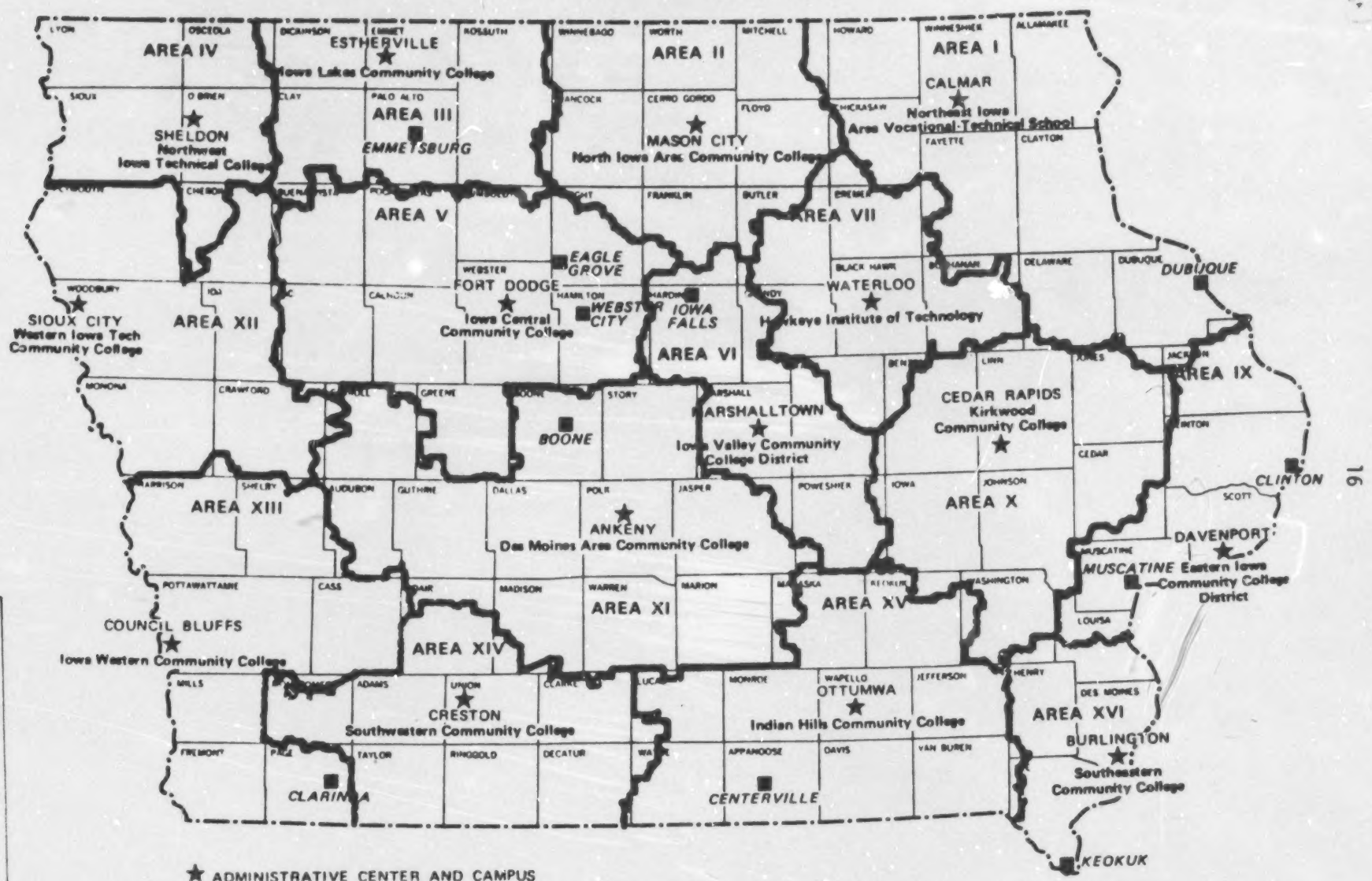
Ranking Col. 1	Area College Col. 2	Total FTEE Col. 3	Local Support Revenue Col. 4	Local Support Revenue Per FTEE Col. 5
1	IV Sheldon	1,135.72	$ 448,876	$ 395.23
2	I Calmar	2,472.82	$ 942,659	$ 381.21
3	XIV Creston	1,211.64	$ 427,393	$ 352.74
4	XI Des Moines	7,267.51	$2,473,269	$ 340.32
5	V Ft. Dodge	3,471.03	$1,080.051	$ 311.16
6	XII Sioux City	2,981.58	$ 810,821	$ 271.94
7	VII Waterloo	3,637.50	$ 952,346	$ 261.81
8	IX Davenport	4,961.12	$1,268,667	$ 255.72
9	II Mason City	3,369.70	$ 801,043	$ 237.72
10	XIII Council Bluffs	3,557.31	$ 844,481	$ 237.39
11	III Estherville	2,931.81	$ 635,147	$ 216.64
12	XVI Burlington	2,363.22	$ 478,923	$ 202.66
13	VI Marshalltown	2,955.92	$ 560,991	$ 189.79
14	X Cedar Rapids	8,272.55	$1,541,771	$ 186.37
15	XV Ottumwa	4,013.31	$ 651,228	$ 162.27

High	Area IV -	$395.23
Low	Area XV -	$162.27
Range		$232.96

* The above Local Support Revenue amounts were obtained from DPI Report No. 6100-E69048-8/84.

Appendix E

MERGED AREA SCHOOLS



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